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# ***Daily Report***

## **China**

FBIS-CHI-90-208  
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26 October 1990

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

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## General

### Asia-Pacific Conference for Disabled Opens

#### Yang Shangkun, Li Peng Attend

OW2610080790 Beijing XINHUA in English  
0750 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—More than 1,000 disabled people, social workers, specialists and scholars from 51 countries and regions met here this morning at the opening session of the 9th Asia and Pacific Regional Conference of Rehabilitation International (RI).

Chinese President Yang Shangkun, Premier Li Peng and other state leaders attended the meeting, which was held in the Great Hall of the People.

Also present were RI President Fernore R. Seton, President for the Asia and Pacific Region B. Lee, RI honorary lifetime patron Harry S.Y. Fang and RI Secretary-General Mrs. Susan R. Hammerman.

Seton presented two crystal balls engraved with the names of RI's 78 member states and organizations to President Yang Shangkun and Premier Li Peng, respectively. A telegram of congratulations from U.S. President George Bush was read out by Susan Parker, Social Security Administration deputy commissioner of the United States.

According to Cui Naifu, president of the session and Chinese minister of civil affairs, "Equality and Participation" is the theme of the session, which implies that "people with disabilities should fully participate in social life with equal opportunities and society should create the necessary social and physical conditions to promote the participation of disabled people."

During the five-day meeting the participants will discuss legislation, special education, prevention and rehabilitation of disabilities, employment, mass media, barrier-free designs and mobility, family life and leisure, and sports and cultural activities for the disabled.

In addition, seminars and workshops will also be organized focusing on traditional Oriental medicine, rehabilitation of Hansen's disease sufferers, prosthetics, community-based rehabilitation, and childhood disabilities.

Established in 1922, the New York-based Rehabilitation International now has governmental and non-governmental organizations in 87 countries and regions as its affiliated members. China became an affiliated member in 1984.

Prior to the meeting, Yang Shangkun, also honorary president of the session, met Seton and other delegates.

### Li Peng Stresses Programs

OW2610084590 Beijing XINHUA in English  
0803 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—Chinese Premier Li Peng said here today that China positively evaluates and attaches great importance to efforts aimed at strengthening international exchanges and co-operation in promoting programs to help the disabled.

The premier said that these efforts are important in enhancing world peace.

Li made the remarks at the opening session of the ninth Asia-Pacific Regional Conference of Rehabilitation International (RI), which was attended by over 1,000 delegates from 51 countries and regions.

He extended a warm welcome to the delegates who came to China to discuss how to promote work concerning the disabled in the Asia-Pacific region. "The development of the course for the disabled is a reflection of social progress and human civilization," he said.

Today, he said, with the existing gap between the North and South and the different levels of economic development, it is impossible to use a common standard to evaluate the development of each country's work in helping the disabled.

Consequently, he said, each nation should determine its own course for assisting the disabled in light of its own conditions and in order to ensure success under the prevailing economic and cultural circumstances. The choice of any nation should be respected by the international community, he noted.

Li said the Chinese Government attaches great importance to the development of programs aimed at assisting China's 51 million disabled persons.

"China is committed to the responsibility of safeguarding the personal interests, protecting the legitimate rights, and encouraging the active social involvement of the disabled."

The Chinese Government has completed a draft law to protect the disabled people and has submitted it to the National People's Congress Standing Committee for examination, Li said.

"The fact that the rights and interests of China's disabled people will be confirmed and protected by state law is of the utmost significance for the promotion of China's social progress and economic development."

### Deng Pufang Sees 'New Phase'

OW2610112790 Beijing XINHUA in English  
0844 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—Chairman of the China Federation for the Disabled (CFD) Deng Pufang said here today that work for disabled people in China has now entered a new phase of development.

He was addressing the opening ceremony of the ninth Asia and the Pacific Regional Conference of Rehabilitation International (RI) this morning at the Great Hall of the People. About 1,000 delegates from 51 countries and regions are attending the five-day conference.

The CFD chairman said that the "Chinese Government has always maintained that work for the disabled contributes to human civilization and progress. And China has completed a number of projects crucial to work for the disabled in recent years."

It is learned that nine ministries and departments, including the Ministries of Civil Affairs and Public Health and the State Statistics Bureau, jointly conducted a nationwide sample survey on the disabled in 1987 for the first time ever.

In 1988 the country established its only national organization for all categories of disabled persons, that is, the CFD. So far, 30 provinces, autonomous regions and cities have established local organizations.

In addition, China has also formulated a "Five-Year Work Program for the Disabled". A draft law on safeguarding the legal rights of disabled people is now under discussion by the Standing Committee of the National People's Congress.

Deng noted that a solution to the problem of the disabled will, in the final analysis, depend on the improvement of the nation's productivity and social standards.

The CFD chairman listed in his speech China's achievements and strategies in its work for disabled people in recent years.

He called for more international co-operation and support for the work for disabled people, and admitted that China's past achievements in this regard would hardly have been possible without the support of the international community, particularly the assistance generated by the activities of the "U.N. Decade of the Disabled."

So far, the CFD has established relations with more than 100 organizations for the disabled and charity and welfare institutions in dozens of countries and regions.

#### **EC Funds Awaited Following Lifting of Sanctions**

*HK2610030290 Beijing CHINA DAILY in English  
26 Oct 90 p 2*

[By staff reporter Qu Yingpu]

[Text] A top Chinese trade official said in Beijing yesterday that he expects an increase of hard cash inflow from the European Community following a recent EC agreement to lift sanctions against China.

In an interview with Paisal Sricharatchanya, editor-in-chief of the BANGKOK POST, Vice Foreign Trade

Minister Shen Jueren predicted an increase in EC investment in China and a reactivation of government loans suspended after the Beijing unrest in May and June last year.

"We welcome the (EC) decision," She said. "It benefits both sides, not only China."

The vice minister, however, was cautious about how soon and how far the EC countries will go in resuming economic ties with China.

"Now (China) has to wait and see," Shen said. "The European Community includes many countries which may take different actions (in the normalization of their ties with China)."

He said EC investment in China will grow as bilateral exchanges increase, but added that EC investors are now focused on East European countries and the Soviet Union.

Nonetheless, the recent EC decision to lift sanctions against China is of great significance to both sides.

The EC is the fourth biggest investor in China behind Hong Kong, the United States and Japan. Between 1979 and the end of June this year, China had approved 332 EC-funded projects with a total of \$1.29 billion in committed EC investment.

The EC is also China's third biggest trading partner after Hong Kong and Japan. During the first nine months of this year, Sino-EC trade totalled \$9 billion. Of that figure, China's exports accounted for \$3.8 billion, 11.5 per cent more than during the same period last year; imports were \$5.3 billion, down 21.9 per cent.

Shen said that general overseas investment in China has recovered to the level of early 1989 and newly-contracted overseas investment this year is expected to be more than \$5 billion, roughly the same as last year.

The vice minister explained that, although fewer US and EC investors came to negotiate on new projects during the first half of this year compared with the same period last year, investment from Hong Kong, Taiwan, South Korea and the Asean countries had kept growing steadily.

But because of last year's social unrest in Beijing, Shen admitted, total contracted overseas investment was only \$5.5 billion last year, although the country had expected an increase of 10 per cent over 1988's \$5.6 billion.

Shen said he believes Sino-Thai economic relations and trade ties will continue to strengthen in the next few years together with economic and technological development in both countries.

Sino-Thai trade, which started 2,000 years ago, grew rapidly after the two countries established diplomatic relations in 1975. Last year, bilateral trade was valued at \$1.26 billion, compared with only \$21 million in 1975.



According to figures released by the Chinese Customs, trade between the two countries during the first three quarters of this year reached \$802 million. Of the figure, China's exports increased a hefty 53.7 per cent over the first nine months of last year to \$542 million, and imports were \$260 million.

Thailand is also one of the top 10 investors in China. By the end of last year, Thailand's China commitments were worth \$200 million—excluding Thai investment via Hong Kong.

Paisal came to Beijing as a guest of CHINA DAILY and will visit Shanghai and Shenzhen during his tour.

### Song Jian Closes 54th IEC Conference Session

OW2610050390 Beijing XINHUA Domestic Service  
in Chinese 1532 GMT 25 Oct 90

[By reporter Jiang Zaizhong (1203 0961 1813)]

[Text] Beijing, 25 Oct (XINHUA)—At the closing ceremony of the 54th Conference of the International Electrotechnical Commission (IEC) today, State Councillor Song Jian pointed out: China wants to strengthen exchanges and cooperation with other countries in the economic, trade, scientific, technological, and social development fields, and learn their modern achievements. Only by doing so can China develop and build itself, and simultaneously contribute its share to the world's economic, scientific, technological, and social development.

The 54th IEC conference, held in Beijing for the first time, lasted two weeks. During the conference, some 1,000 foreign and Chinese experts discussed such issues as draft standards for radio communications, electrical equipment safety, and electrical instruments; and the direction and plan for the development of international standardization. The Chinese delegation's useful ideas concerning the installation of transmitter antennas [tian xian fa she ji 1131 4848 4099 1410 2623] and methods for measuring signal amplification [chuan sheng qi ce liang fang fa 0278 5116 0892 3261 6852 2455 3127] were adopted by the conference. Lu Shaozeng, chairman of the IEC Chinese National Committee and deputy director of the State Bureau of Technology Supervision, was elected IEC vice chairman.

In his speech, Song Jian said: Currently, the world has become a closely knit macrosystem economically, scientifically, and technologically. No country can afford to stay out of the system if it does not want to continue to lag behind other countries. It is out of this understanding that China began to open itself to the outside world in the 1980's and bravely join this global macrosystem.

Song Jian stated: China has made significant progress in the past decade in research and development in such high-tech fields as electrical and electronic technology, computer technology, information engineering, high temperature superconductive technology, aerospace

technology, laser technology, and automatic control. In general, development in these fields has been carried out in accordance with the standards of the reference system set up by the IEC. In the future, China will continue to support the work of the IEC and make greater contributions to further international standardization.

IEC Chairman Bright showed his sincere satisfaction with the work of the Chinese National Committee in his speech. Xu Zhijian, deputy secretary general of the State Council, attended and spoke at the closing ceremony.

### Economic, Environmental Integration Meeting Ends

#### Achievements Praised

OW2510154690 Beijing XINHUA in English  
1454 GMT 25 Oct 90

["Experts: Economic Development Does Not Contradict Environmental Protection"—XINHUA headline]

[Text] Beijing, October 25 (XINHUA)—Economic development and environmental protection can go hand in hand with social development.

This agreement was reached by both Chinese and foreign participants of the "International Conference on the Integration of the Economic Development and Environment in China," which ended on Wednesday.

Qu Geping, administrator of national environmental protection, said at today's news briefing, that over 70 participants, including 42 foreigners, discussed the integration of China's economic development and environmental protection, and explored channels for international cooperation in this field.

He said that in the past decade or so, China's economy has developed very quickly. In the meantime, China has also made a lot of headway in environmental protection, noting that environmental deterioration has not been proportional to the level of development.

Dr. Martin Holdgate, director general of the International Union for the Conservation of Nature, hailed China's achievements as a contribution to the environment of the world, adding that China will have more impact on the fate of the global environment with its economic and industrial development, since it is a country with a vast territory and population.

Dr. Martin Lees, an international councillor of France, said that the integration of economic development and environmental protection is not only a problem of a region but a problem of the world. He went on to say that China's experience in this field could be introduced to the rest of the world.

While acknowledging China's successes in integrating economic development and environmental protection,



the participants pointed out that China still lacks the funding and technical know-how that this endeavor requires.

They also offered many productive suggestions, such as strengthening the concept of environmental protection among people from different walks of life, consolidating environmental management, insuring the proper exploration and use of agricultural resources, and giving priority to the research and application of environmental science and technology.

Regarding Beijing's conference as a success, Dr. K. Prewitt, senior vice president of the Rockefeller Foundation of the United States, said his organization will work to help China's agricultural development, public health care, family planning and population control.

During the conference, some participants suggested that an international consultative committee, composed of Chinese and foreign senior experts and officials, be set up at an appropriate time after the conference, to explore channels to further the cooperation between China and other countries. The suggestion was well received by both the Chinese and foreign experts and officials.

#### **Efficient Energy Use Stressed**

*OW2510165090 Beijing XINHUA in English  
1508 GMT 25 Oct 90*

[Text] Beijing, October 25 (XINHUA)—The use and exploitation of energy is the key to China's integration of economic development and the environment, according to Maurice Strong, secretary-general of United Nations Conference on the Environment and Development.

In his speech today, Mr. Strong said that China uses energy inefficiently and, as a result, severely pollutes the environment. If China were to make more efficient use of its energy, especially coal, it could raise its national income without increased damage to the environment.

He said that it is the challenge that China's scientific circle must face. He said that China is an important part of the world, and the problem of the environment in China will affect the globe as a whole. He added that the United Nations will support China in capital and technology.

Mr. Strong also praised the Chinese Government for the great efforts it has made to protect the environment. He said China pays attention to the integration of the population, the environment and economic development; taking the problem into consideration when undergoing economic policy decision-making.

In his speech, Mr. Strong introduced preparations for the '92 conference on the environment and development.

China's environmental experts and other officials attended today's speech.

#### **Radio Analyzes Plans for Solving Gulf Crisis**

*OW2410090490 Beijing in English to Western  
North America 0400 GMT 23 Oct 90*

[News analysis by (Zhang Guohua)]

[Text] The Gulf crisis is continuing to deteriorate amid efforts to work out a peace plan. Among the proposed plans, the most attractive idea is called the package plan. Initiated by Iraqi President Saddam Husayn, it tries to solve the Gulf crisis by linking it to the Arab-Israeli conflict and other Middle East problems. Radio Beijing's (Zhang Guohua) offers a news analysis:

Saddam Husayn said on 20 August that he would consider solving the Gulf problem through negotiations if Israel withdraws from Arab territory, Syria withdraws from Lebanon, and the United States withdraws from Saudi Arabia. The United States along with many Arab and Western countries believe that the Iraqi president only wants to stall the process by presenting these conditions. They say the plan is not worth considering. Other Arab countries, however, support the proposal. They think the Middle East's main problem is Israeli occupation of Arab territory, and because Iraq is asked to withdraw from Kuwait, then Israel also must withdraw.

Other peace plans have been offered. The Palestine Liberation Organization first proposed a five-point peace plan and then expanded it to a 10-point plan. Basically, it says the key to solving all the Middle East's problems is solving the Palestinian and Lebanon problems. The international community, however, has not paid much attention to the plan.

This crisis has become a global issue and is a major topic at this year's United Nations General Assembly. French President Francois Mitterrand denounced the Iraqi invasion of Kuwait in his 24 September speech to the UN General Assembly. He demanded the immediate withdrawal of Iraqi forces from Kuwait. He proposed that if Iraq says it will withdraw from Kuwait and release foreign hostages, then all parties can work toward solving the Lebanon problem and the Arab-Israeli conflict through negotiations. Saddam Husayn welcomed the proposal, but other nations complained. Britain criticized France, saying the country had put forth the proposal without first consulting its allies.

After Israeli troops killed 21 Palestinians recently in Jerusalem, public opinion polls have shown support for a combined solution to the Palestinian and Gulf crises. Some Arab countries argue that the more urgent task, however, is to get Iraq out of Kuwait to avoid a war in the Middle East, which would be a catastrophe for the entire Arab world.

Syrian Foreign Minister Faruq al-Shar' says trying to solve both these Middle East issues at the same time is a dangerous scheme that will block the whole process, and Egyptian President Husni Mubarak says the plan is Saddam's plot to stay in Kuwait. The United States has

taken a similar view. The country opposes linking the Gulf crisis with other conflicts in the Middle East, but also admits that there are connections between these issues. In an address to the UN General Assembly three weeks ago, President Bush said that only when Iraq withdraws from Kuwait can the conditions be created for solving the Arab-Israeli issue. The U.S. president indicated that the United States is willing to help solve the Middle East problems only after the Gulf issue is settled.

Observers say that this was the first time that Bush discussed the Gulf crisis in connection with other Middle East issues, and this may indicate some subtle changes in U.S. strategies in the Middle East.

#### **U.S.-Soviet Conventional Arms Cut Talks Viewed**

HK2310133890 Beijing ZHONGGUO QINGNIAN  
BAO in Chinese 9 Oct 90 p 2

[Article by Washington-based staff reporter Zhu Cuocai (2612 0948 2088): "Progress Made in U.S.-Soviet Talks on Conventional Weapons Reduction in Europe"]

[Text] U.S. Secretary of State Baker and USSR Minister of Foreign Affairs Shervardnadze pronounced in New York on 3 October, that the two countries have reached an accord in talks on all principled issues concerning conventional weapons reduction in Europe. The two countries finally made a breakthrough in their talks that had been going on for more than a year.

The talks between Shervardnadze and Baker took place at the site of the USSR delegation to the United Nations, and lasted some five hours.

#### **Eventual Results After More Than a Year of Argument**

The breakthrough in the recent talks was made with the two sides removing the last hurdle on limiting the number of fighter planes. Shervardnadze told reporters that the USSR made an "overall concession" on this issue, and the talks concluded on 3 October.

Based on the principled agreement reached by the two sides, as the WASHINGTON POST disclosed, the USSR and its former East European allies will eliminate 19,000 of their tanks, 51,000 cannons, and 40,000 armored vehicles. Part of the tanks pulled out from East Europe will retreat to east of the Urals, namely, 2,000 miles away from the USSR-Polish border. In this way, it will be impossible for the USSR to rapidly deploy these weapons in Europe again.

Because the USSR and its allies have great advantages in conventional weapons against the North Atlantic Treaty Organization [NATO], the agreement requires the United States and its NATO allies to cut only 4,000 tanks so that the remainders may be kept on a par with the 20,000 tanks the USSR and its allies are to maintain in Europe.

As stipulated in the agreement, both the Warsaw Pact and NATO countries will each deploy, in Europe, 20,000

tanks, 20,000 cannons, 30,000 armored vehicles, and 2,000 helicopters after the reduction; the number of fighter planes, however, is kept a secret for the time being. From the angle of the volume of weapons, both sides will cut one-third of their weapons deployed in Europe. Such a large-scale reduction in conventional weapons will be the first in history.

The U.S.-USSR talks on conventional weapons reduction in Europe began in March 1989, but failed to reach an agreement. The major dispute between the two sides in the talks was the USSR possessing a huge number of land-based naval fighter planes, which were equipped with anti-vessel missiles. The NATO countries attempted to include aircraft in this category in the treaty of conventional weapons reduction in Europe, but met with Soviet opposition. Whereas, the USSR attempted to counter U.S. advantages in aircraft on aircraft carriers with the aforesaid aircraft. During the recent talks, the two sides reached an understanding on restricting the total number of fighter planes and aircraft in other categories with the exception of helicopters. Hence, progress was made in the talks.

Viewing the result of the talks between Baker and Shervardnadze, it seems that all hurdles have been removed for the United States and the USSR to initial the treaty on conventional weapons reduction in Europe at the Paris 34-nation Conference on Security and Cooperation in Europe [CSCE] this coming November. Should that be the case, President Bush will attend the said conference, and initial the treaty. Earlier, Bush stated that he would not attend the conference if it was impossible to initial the treaty of conventional weapons reduction in Europe at the CSCE to be held in Paris.

#### **No Carelessness Can Be Afforded in Details to Avoid Getting "Stuck"**

Although the two countries have reached unanimity on the basic principle of restricting conventional weapons in Europe, they are liable to get "stuck" on some minor issues in view of past experiences of talks between the two countries. Therefore, it is still hard to tell whether or not the treaty in question will be initialled at the Paris CSCE in November.

At a press conference on 3 October, U.S. Secretary of State Baker stated, that from reaching principled agreement to initialing the treaty, there are still some problems that must be settled: 1) It must obtain the allies' consent. Opposition is unlikely because during the talks, both sides promptly consulted with their allies and have already got their consent. 2) The two sides have not yet arrived at unanimity on such minor issues as restricting the number and categories of helicopters, and the number of troops to be stationed in some specific nations; those minor issues might affect the talks' progress. And 3) The principled agreement reached will

have to be written into a documentary treaty by negotiation experts of the two countries through technical operation; such procedures are liable to delay the initialling of any treaty.

Therefore we can see, despite the fact that there is still some way to go before the initialling of the treaty of conventional weapons reduction in Europe, it will not be too far away.

Besides, the USSR Minister of Foreign Affairs Shervardnadze and U.S. Secretary of State Baker will hold another talk on restricting strategic nuclear weapons to find solutions to some issues in the said talks between the two countries for Bush and Gorbachev to initial the relevant treaty in Moscow before the end of 1990.

### Current U.S.-Soviet Relations Examined

OW2510143690 Beijing BAN YUE TAN in Chinese  
No 18, 25 Sep 90 pp 17-19

[Article by Shi Lujia (2457 7627 0163), XINHUA managing editor and head of the International Department's European and American editorial section; second in series "How To Look at Today's World": "How To Look at the Current U.S.-Soviet Relations"]

[Text] In today's world, relations between the two big powers, the United States and the Soviet Union, still exert extraordinary importance. The development of their relations will continue to influence the overall international situation and important factors affecting its evolution. Therefore, a correct understanding of current U.S.-Soviet relations has become key in observing the international situation.

### Basic Pattern: Cooperate and Competition

Viewed as a whole, the main trends in current U.S.-Soviet relations are dialogue, detente, compromise, and cooperation. Between December 1985 and September of this year, leaders of the two nations held a total of eight summits; each summit helped advance relations between the two countries. When Gorbachev and Bush met in Washington in May-June this year, the two sides signed more than ten agreements. Recently they met again for consultations on the Gulf crisis, lifting the two countries' relations to a new height.

First of all, the two countries have made great headway in disarmament after many years of negotiation. Following the signing of the treaty to destroy intermediate-range missiles in December 1987, the two sides signed an agreement to destroy and halt the production of chemical weapons, an agreement in principle to reduce strategic weapons by 50 percent, and a protocol of the treaty on the inspection and limitation of nuclear tests. The two sides are also close to agreement on talks to cut conventional forces in Europe.

Next, on regional issues, officials from the two countries have repeatedly consulted each other and arrived at an understanding on issues like Afghanistan, southern

Africa, and Nicaragua, helping reduce tension in these hot spots. On the Middle East, Cambodia, and Korean Peninsula, the two sides continue to consult each other, expressing the desire to cooperate and seek solutions.

Third, on German unification, the position of the two sides is fairly close. The U.S. program has taken some Soviet interests into consideration, while the Soviet Union has agreed to U.S. insistence that a united Germany should remain in NATO. The two sides share a common interest in restraining Germany and maintaining stability in Europe.

Fourth, bilateral exchanges between the two nations developed in a spectacular fashion in recent years. Personnel exchanges, technological cooperation, and trade increased sharply. A series of bilateral agreements concerning exchanges in trade, civil aviation, culture, and education were also signed this year, resulting in further development of cooperation.

However, U.S.-Soviet competition has not ended; they remain each other's main rival. First, while agreeing to reduce military strength and weapons, the two sides are still engaged in fierce competition over the quality of high-tech arms, researching and developing advanced missiles and space weapons. Second, with the gradual breakup of the old European setup formed after the war, the United States and the Soviet Union have shown unwillingness to relinquish their special position and interests in Europe, and have tried to set up a new order advantageous to themselves. The Soviet Union advanced the concept of a "European Bloc" and suggested the disbanding of the Warsaw Pact and NATO as well as the denuclearization of Europe. The United States set forth the "principle of the new Atlantic," insisted on retaining its troops in Europe, and opposed the dissolution of NATO in a bid to use NATO, the European Community, and the Conference on Security and Cooperation in Europe to retain a say over European affairs. Third, although the two sides are willing to cooperate to resolve regional conflicts, it is difficult for them to agree on some issues because of strategic interests and geopolitical considerations. Problems are not fundamentally resolved even when agreements have been reached.

In general, the basic pattern of U.S.-Soviet relations is not only relaxed and cooperative but also competitive and contentious, as well as intermingled and complicated.

### Basic Situation: United States on the Offensive and Soviet Union on the Defensive

At the onset of U.S.-Soviet detente, the Soviet Union had always taken the initiative. Gorbachev launched wave after wave of peace offensives, with the United States generally in a passive position. With the weakening of the Soviet position, Bush took the leading role during the Malta summit last December. At that time, Bush made 16 proposals about conditions for improving



bilateral relations; Gorbachev made no counterproposals. Ever since then, the U.S. offensive has become more obvious, with the Soviet Union taking a defensive position.

First, the U.S. offensive is characterized by the promotion of Western values as its chief goal in Soviet policy. U.S. Secretary of State Baker stated: "We are presently linking our assistance with our values. Our support will be gauged by a single consideration, that is, whether it will promote a democratic system of government and economic freedom in the Soviet Union." As a result, the United States had not only constantly reminded the Soviet Union not to interfere with changes in East Europe but also encouraged it to pursue political pluralism and a market economy. The United States has linked the Soviet adoption of a liberal immigration law with most favored nation status and set its introduction of a market economy as a precondition for providing financial assistance. These were intended to force the Soviet Union to further reform its political, social, and economic systems along a course satisfactory to Western nations. During his visit to the United States in May-June this year, Gorbachev repeatedly asked the U.S. Congress to adopt a "positive attitude" toward the question of most favored nation status. He urged U.S. business circles to invest and build factories in the Soviet Union. In July this year, he again wrote to Bush and other Western leaders, urging them to help the Soviet Union overcome its economic difficulties.

During the disarmament talks, demands by the United States grow while the Soviet Union continues to make concessions. First, it abandoned its long-standing insistence that the reduction of strategic weapons be linked with the limitation of space weapons and agreed to separate negotiations on this issue. It then accepted the proposition that sea-based cruise missiles, in which the United States has the advantage, be excluded from the strategic weapons treaty. Recently, the Soviet Union announced that it has stopped production of mobile intercontinental missiles regarded by the United States as the greatest threat. The United States announced that it would not abandon its plans for developing mobile guided missiles. On the issue of conventional forces in Europe, the Soviet Union not only agreed to the U.S. proposal to reduce the ceiling of troops stationed by each side to 195,000 but also agreed to let the United States station an additional 30,000 troops.

On top of that, the United States has undermined the influence of the Soviet Union in the Third World. An obvious example is the demand for an end to Soviet aid to Cuba.

#### **Road to Peaceful Competition Is Rough**

The basic pattern and situation of U.S.-Soviet relations is determined by the relative strength and policy of the two countries at the present stage and will be maintained for quite a long time.

The Soviet Union is currently beset by serious problems at home. Its economy is going from bad to worse. Ethnic conflicts are widespread, and the party is split into many factions. Gorbachev urgently needs a peaceful international environment to put his house in order and consolidate the nation's strength. The United States also has its own problems. The national debt accumulated over the years has surpassed \$3 trillion; the 1991 budget deficit will remain high at \$168.8 billion. The demand by Congress and the general public to cut the military budget is at its climax. Faced with a rising Japan and a united Germany, the United States needs to improve its economic strength to deal with increasingly fierce competition from the two allies. This is common ground for the United States and the Soviet Union and may provide the momentum for them to continue promoting detente and cooperation. There is no going back.

On the other hand, the United States and the Soviet Union have not changed their original nature as superpowers. The United States will try to capitalize on present Soviet difficulties by forcing it to make more concessions in the political, diplomatic, and military fields, seeking strategic and military predominance. Although the Soviet Union has weakened markedly, it still retains the posture of a superpower. In particular, it could not bear to see the United States overturn the balance of military power; if that should happen, it would lose the sole rationale underpinning its status as a superpower. This makes it necessary to maintain the rival status and continue competing.

The complexity and instability of U.S.-Soviet relations will surely affect Europe, Asia, and the overall international situation. One can anticipate that the world will still be filled with conflicts and uncertainty.

#### **Article Examines International Exploitation**

HK2410083090 Beijing JIEFANGJUN BAO in Chinese  
9 Oct 90 p 3

[Article by Wu Xizhi (2976 1585 1807): "International Exploitation Is an Important Condition for the Temporary Economic Prosperity of Western Countries"]

[Text] The "elites" who upheld bourgeois liberalization often used the huge economic strength of Western countries and their temporary economic prosperity in the postwar period, as the major grounds for defending the capitalist system. In fact, that some Western countries became "prosperous" in the postwar period was not because there was any superiority in their basic social system, but instead, it was a phenomenon caused by many other factors. An important factor and condition was the international economic exploitation of the developing countries by the monopoly bourgeoisie.

**First, the Wars Were an Opportunity for the United States To Gather a Large Quantity of Gold and the U.S. Dollar With a Gunpowder Smell; and Enabled It To Mount Its Position as an Economic and Military Hegemony in the Capitalist World**

In the capitalist world, why are there only a small number of developed capitalist countries headed by the United States? This was related to the opportunities brought about by the two world wars. In World War I, the United States was able to fill its money bag. In the world wars, the United States was far away from the European battleground, and the military orders placed by the allies brought it huge profits. Moreover, it took this opportunity to take over the colonies and overseas investment projects of many capitalist countries, including its allies, thus becoming the creditor for almost all capitalist countries. In the period between 1940 and 1945, the after-tax profit earned by the monopoly capitalists in the United States was more than double that in the six pre-war years. In 1937, the industrial production of the United States accounted for 42 percent of the world's industrial production; but in 1948, the proportion rose to 54.6 percent. After the end of World War II, the gold reserve of the United States accounted for 74.5 percent of the total in the capitalist world; and the volume of exports accounted for 32.4 percent. The huge economic strength of the United States accumulated through the war and the postwar pattern of the world economy, which was favorable to the United States, not only enabled it to hold the hegemony in the capitalist world, but also laid a foundation for its development in the following decades. In the postwar period, by making use of the gold and money accumulated during the war, the United States imposed an embargo and carried out a cold war against the socialist countries with its huge economic strength as backing, and also built up an unequal international economic order, which seriously impaired the economies in a large number of developing countries and widened the gap between the developed and the developing countries.

**Second, Capital Export Siphoned a Huge Quantity of Wealth From the Developing Countries**

After the end of World War II, in order to carry out the "cold war" against the socialist countries and to control a large number of developing countries, the strategists in the United States adopted the strategy of supporting and controlling other capitalist countries and knocked together a European-American capitalist camp. With U.S. assistance, such capitalist countries as Britain, France, Japan, and West Germany restored their economies in a short time, and consolidated the ruling position of the monopoly capital. On this basis, these countries extensively exported capital and used some neo-colonialist means to control and plunder the resources in developing countries, and turned them into the blood for their own economic development. For example, the overseas investment made by the United States in 1977 was 19.4 times that in 1946; and its overseas investment in 1981 accounted for 42 percent of

the total overseas investment made by all countries in the world. In recent years, although the proportion declined somewhat, the United States was still the first, largest capital exporter. During World War II, U.S.-made bombs resounded on the battle fields all over the world; after the war, the U.S. dollars with the smell of gunpowder, almost shrouded the entire world economy. The amount of capital export from other capitalist countries was also staggering. In 1970, Britain's cumulative capital export amounted to more than \$50 billion; France's amounted to about \$23.5 billion; West Germany's amounted to \$24 billion; and from 1970 to 1976, Japan's capital export amounted to \$22.4 billion. The capital exports from the developed countries were aimed at reaping greater profits from the importers and controlling the economies of the latter. From 1970 to 1983, the net yield of overseas investment made by the United States was as high as \$295 billion, which was almost twice as much as the amount of investment made in the same period. In 1974, the United States made \$1.6 billion of investment in the Middle East region; and in the same year, the profits it earned there amounted to \$8.4 billion, and the profit margin was 525 percent. From 1965 to 1970, the developed capitalist countries made a total investment of \$5.4 billion in Latin America, and reaped \$11 billion of profits. The developed capitalist countries also controlled many important economic sectors in the developing countries through such investments. Capital export ruthlessly siphoned the blood of the developing countries into their own bodies. The continuous flow of wealth from various countries in the world to the developed countries thus fattened the monopoly capital.

**Third, International Exchange of Unequal Value Makes Poor Countries Poorer, and Rich Countries Richer**

Aside from controlling and pillaging the developing countries in an undisguised way, the developed capitalist countries also defrauded the developing countries of a large quantity of wealth through exchange of unequal value in international trade. Most developing countries mainly export such elementary products as farming and mining products, raw materials, and fuel, and mainly import manufactured goods. This enables the developed countries to use their monopoly position in international trade to rig the international market by raising the prices of the industrial products and forcing down the prices of elementary products. The widening the "price scissors" caused tremendous economic losses to the developing countries. For example, from 1958-1972, the price of industrial goods in the international market rose by 70 percent; while the price of oil and other raw materials only increased by 47 percent. Due to the worsening trade conditions, the developing countries incurred a total loss of \$10 billion in the export of 28 raw material commodities in 1972. In the mid-1970's, the developed countries made use of their monopoly position to force down the prices of cotton, coffee, and mineral products by big margins. The developed countries could do this because they had controlled the economic lifelines of the developing countries through their capital export, restrained

the development of national industry in the capital importer countries, and forced the latter to tightly attach themselves to the developed capitalist countries.

**Fourth, Grabbing Large Quantities of Low-Cost Raw Materials From the Developing Countries Was One of the Basic Conditions for the Developed Capitalist Countries' Economic Growth**

Raw materials and energy are of extremely great economic, military, and social significance among the developed countries. As some people in the West said, "Those who possess oil will occupy the world." In the postwar period, 40 percent of the raw materials consumed by the developed capitalist countries had to be supplied by developing countries. For example, the United States had to import 80 to 100 percent of most rare metals. Any slight changes in the supply of raw materials and resources would seriously affect economic development and social stability in the capitalist world. Therefore, in order to safeguard their own interests, the developed capitalist countries always fixed their eyes on raw materials and resources in international economic exchanges. After World War II, the developed capitalist countries employed a neo-colonialist form and adopted such means as economic assistance, capital export, and foreign trade to maintain their political and economic interests in the developing countries and to grab resources at a very low cost or even without any compensation from these countries. They also grabbed large stretches of concessions with rich resources at extremely low costs or without paying any cost through the signing of unequal treaties after they showed their military muscle and played power politics. In the 1950's and 1960's, the developed countries grabbed a total of more than 9.8 million square kilometers of oil producing concessions from developing countries, and this was almost equal to the area of entire Europe. The developed countries also controlled one-half of the total quantity of iron ore extraction, and nearly 90 percent of the bauxite, diamond, and copper ore extraction in developing countries. International monopoly capital also rigged the world's raw material market and controlled the raw material prices, thus causing greater losses to the developing countries. The postwar history showed that without the large quantities of low-cost raw materials from developing countries, there would not have been the temporary economic prosperity in the capitalist countries.

**Fifth, Economic Crises Were Shifted to Developing Countries, Which Were Forced To Bear the Economic Losses**

The intrinsic contradictions in the capitalist economic system determine the inevitability of economic crises. After World War II, although the economic crises showed many different characteristics from those before the war because of the in-depth development of the new technological revolution and the adoption of various macroeconomic regulation measures by the capitalist states, economic crises still occurred many times. Each

time an economic crisis was looming, the developed capitalist countries certainly tried to shift the consequences of the economic crisis to developing countries by various means, such as dumping surplus commodities in developing countries, reducing the import of raw materials from developing countries, and forcing down the prices of elementary products by big margins. The economies of the developing countries were generally more vulnerable and would suffer more serious losses. For example, when an economic crisis occurred in the United States in the second half of 1969 and serious recession occurred in the automobile industry and other industries which took rubber as a raw material, the American monopoly corporations dumped rubber in the international market and caused a slump in the rubber price. This greatly reduced the income of the rubber producing countries in Southeast Asia and seriously affected their economic development. Even after the U.S. economy began to recover, the impact of the crisis remained in the victim countries.

To sum up, what is mentioned above shows that in a certain sense, prosperity in the capitalist countries was built on the basis of exploiting and controlling developing countries. Therefore, safeguarding national sovereignty and independence, changing the unreasonable economic structure and the world economic order, and developing national economies, constitute the major historical mission for all developing countries. In the course of fulfilling this historical mission, the socialist system provides a basic institutional guarantee. The international monopoly bourgeoisie is extremely hostile to the socialist system and keeps pursuing the peaceful evolution strategy against the socialist countries, because they want to subvert the socialist states in order to maintain the old world political and economic order, continue their international exploitation, control the developing countries, and continue to plunder other nations' wealth. All this will just be their vain dream.

**United Nations Day Marked in Beijing**

OW2510061290 Beijing XINHUA in English  
1535 GMT 24 Oct 90

[Text] Beijing, October 24 (XINHUA)—UN resident coordinator and resident representative of the United Nations Development Programme (UNDP) to China, Roy D. Morey, hosted a reception here this evening to mark the United Nations Day and the 40th anniversary of U.N. technical cooperation.

Chinese Vice Premier Wu Xueqian was present at the occasion.

UNDP is the world's largest grant development assistance organization. China has participated in some of its regional and interregional programmes since 1972. From 1979 to 1986 UNDP provided China 93.5 million U.S. dollars for over 200 projects while the 1987-1991 allocations is 162.28 million U.S. dollars, making China the largest recipient of UNDP resources.



Morey said at the reception that UNDP had been working with China for more than a decade in providing an international dimension to support its long-term development goals.

"We shall continue to do so in the future with particular emphasis on improved management and administrative performance, the preservation of the environment, poverty alleviation and increasing the role of women in development," Morey added.

In his speech, Chinese Vice-Foreign Minister Tian Zengpei spoke highly of the "unremitting efforts" the United Nations had made for maintaining world peace.

He said UN had also made "significant contributions" to the promotion of international cooperation, particularly in support of the economic and social progress of the developing countries.

Tian expressed on behalf of the Chinese Government "heart-felt" thanks to the representatives and staff members of the offices of organizations of the United Nations system in China.

He said that he hoped in China's endeavor to redouble China's GNP in the "crucial period" of the 1990s, the cooperation between China and the UN development system will expand further both in depth and width through "our common efforts."

In commemoration of the occasion, some 100 children paintings were exhibited at the reception hall, which were selected from some 1,077 works in the competition sponsored by UNDP.

#### **Appreciation Expressed for UN-Backed Projects**

*HK2510052790 Beijing CHINA DAILY in English  
25 Oct 90 p 1*

[By staff reporter]

[Excerpts] The United Nations Development Programme (UNDP) has given significant assistance to China over the past decade, leading Chinese officials said yesterday in Beijing. [passage omitted]

UN resident co-ordinator and resident representative of the UNDP in China, Roy D. Morey and nearly 200 Chinese and foreign senior officials took part in the ceremony.

The UNDP currently supports more than 6,900 projects in 153 developing countries and territories. Through its worldwide network of 112 country offices and the expertise of 36 international agencies, it delivers a greater variety of services in more sectors than any other grant development institution, sources said.

The UNDP provides grant assistance to build skills and develop resources in areas such as agriculture, industry, health, education, economic planning and transport and communications. It receives voluntary contributions annually from almost every government in the world.

"Of great importance is our commitment to ensuring that the gains of development will be sustained over time," said Morey.

He summarized the goal of the UNDP as "Helping countries to help themselves" and quoted UN Secretary-General Javier Perez de Cuellar who said that "a new global dispensation will remain more a hope than a reality as long as the anxieties and strains caused by the disparity between the rich and the poor societies remains unremedied."

China has been both a donor and a recipient of the UNDP, and now is entering the second decade of cooperation said Morey.

#### **UN-Funded Farm Projects To Continue**

*HK2510045390 Beijing CHINA DAILY in English  
25 Oct 90 p 2*

[By staff reporter Wu Yunhe]

[Text] China will continue to receive financial backing from the United Nations to expand its agricultural development projects next year, according to Vice-Minister of Agriculture Wang Lianzheng.

He told CHINA DAILY the government is negotiating with some financial arms of the United Nations for a package of agricultural aid programmes.

A feasibility study has already been conducted for two projects which are going to receive \$50 million in loans from the International Fund for Agricultural Development (IFAD) early next year, Wang said.

One project covers agricultural development in Shanxi Province, and the other is a low-land development project in Jilin Province.

China is also knocking on the door of the World Bank for a \$300 million loan to develop farming projects in Jiangsu, Anhui and Shandong provinces, Wang said.

"We expect to conclude an agreement with the bank next year for the loan, if things go smoothly."

China has entered into negotiations with the bank, and preparations necessary for the establishment of the agricultural projects are under way, Wang said.

The vice-minister, who is in charge of international cooperation in the ministry, is optimistic about expanding agricultural cooperation with UN organizations.

"China is able to pay back foreign loans used for agricultural development thanks to its fast-growing exports, especially cotton products and other farm produce," Wang said.

UN organizations are committed to provide at least \$1.34 billion for agricultural development in China.

These UN-funded projects have gained initial results. They are playing an exemplary role in further exploiting China's agricultural resources," Wang said.

For example, the World Food Programme (WFP) has granted about \$561 million worth aid for the ministry to set up agricultural projects in China.

Such powerful backing has benefited 15 million rural people.

Next year, the government plans to pay more attention to the economic and social results of foreign-invested agricultural projects, Wang said.

China will mainly use the foreign loans to beef up its grain and cotton producing in North and Central China, and fish farming and animal husbandry in South and West, he said.

#### **Asian Development Bank Offers Training Grant**

*OW2610095490 Beijing XINHUA in English  
0653 GMT 26 Oct 90*

[Text] Manila, October 26 (XINHUA)—A training program on development economics for senior Chinese officials will be conducted under a 100,000-U.S.-dollar technical assistance grant, which was recently approved by the Asian Development Bank (ADB), ADB announced here today.

The training program will be held in Zhaoqing, Guangdong Province, from November 26 to December 9 this year, and 30 officials from various ministries, planning commissions and agencies are expected to take part in the program, the Manila-based bank said.

The program is expected to provide the participants an opportunity to acquire additional skills and knowledge on economic development planning as well as exposure to the most current information on economic theory and development practice, ADB said.

It is designed to provide the participants with a thorough understanding of development economics and strategy including theoretical and analytical methods, economic development and changing development patterns with particular emphasis in the Asia-Pacific region, and to interpret, review and evaluate the performance of development strategy and assess economic growth trends and patterns in the Asia-Pacific region with particular focus on their domestic and international implications, ADB added.

The People's Bank of China will be the executing agency for the technical assistance grant, ADB said.

#### **World Bank Loans for Shandong Project**

*SK2510104090 Jinan DAZHONG RIBAO in Chinese  
15 Sep 90 p 1*

[Text] On 14 September at Qilu Guesthouse, Wang Lequan, vice governor of Shandong Province and head

of the provincial leading group for the "project of strengthening irrigation and agriculture," met with the World Bank's appraisal team for the "project of strengthening irrigation and agriculture," headed by Mr. Zheng Lansheng.

From 10 to 15 September, the World Bank's appraisal team conducted a formal appraisal for the province's "project of strengthening irrigation and agriculture." This appraisal is an overall examination of the province's pre-phase preparatory work for this project over the past year, as well as an important step to determine whether or not this project will be carried out smoothly. After conducting appraisal and planning for this project, the World Bank will provide the province with \$100 million in loans to improve the conditions of irrigation works and agricultural production covered by this project.

Wang Lequan first of all thanked the World Bank for its support to the province's agriculture, and then explained and answered the questions from the appraisal team on matters involved by the project.

#### **World Bank-Loaned Afforestation Project Begins**

*SK2510105090 Jinan DAZHONG RIBAO in Chinese  
14 Sep 90 p 1*

[Text] The signing ceremony for the executive agreement on growing high-yielding forests with loans from the World Bank was held in Huantai County on the afternoon of 12 September. Li Yucai, director of the provincial forestry department, and responsible comrades of Weifang, Zibo, Taian, Dezhou, Huimin, Linyi, Liaocheng, and Heze cities and prefectures affixed their signatures to the agreement. Wang Lequan, vice governor of Shandong Province, and Zhu Qimin, specially invited adviser to the provincial government, attended the signing ceremony.

Using the World Bank loans to grow a fast-growing and high-yielding forest base is a major afforestation project of the state. The Ministry of Forestry has defined Shandong Province as one of the 16 afforestation project provinces of the country, and has planned to build 750,000 mu of forests in the province. For building this project, the World Bank will issue 56.909 million yuan in loans, the provincial authorities and various prefectures, cities, and counties will provide 28.488 million yuan of supporting funds, and the funds raised by afforestation units themselves and the money in terms of labor service will amount to 9.486 million yuan. The afforestation task will be fulfilled in three years. On 14 July, provincial Vice Governor Wang Lequan had already signed the agreement reached by the Ministry of Forestry and Shandong Province.

At the signing ceremony, Wang Lequan called on various cities, prefectures, and counties to strictly abide by the regulations and obligations stipulated by the agreement

to ensure smooth progress and success in this project and lay a good foundation for further cooperation with the World Bank in the future.

#### **Shen Zulun Attends Zhejiang Tea Culture Seminar**

*OW2510203290 Beijing XINHUA in English  
1614 GMT 25 Oct 90*

[Text] Hangzhou, October 25 (XINHUA)—Nearly 200 experts and scholars from eight countries and regions attended an international seminar on tea culture opened today in the capital of Zhejiang Province.

The experts are from the Chinese mainland, Japan, South Korea, Sri Lanka, the United States, Singapore, Taiwan and Hong Kong.

More than 50 papers have been submitted to the seminar, which ends on October 27. Paper topics include the development of China's tea culture, tea culture in Taiwan and the study of tea names.

During the seminar, a tea ceremony will be held by 30 Japanese artists.

Shen Zulun, governor of Zhejiang Province, attended the opening ceremony. In a speech, he disclosed that the 1991 China international tea culture festival will be held in Hangzhou next April.

This afternoon participants visited the newly-established China tea museum.

#### **Pudong Financial Joint Venture Established**

*HK2510045590 Beijing CHINA DAILY in English  
25 Oct 90 p 2*

[By staff reporter Chen Weihua]

[Text] Shanghai—Two Chinese and two overseas banks signed a contract yesterday to set up a joint venture financial corporation in the Pudong New Area.

Top officials from the local People's Bank of China [BOC], the country's central bank, have said formal approval from the bank's Beijing headquarters is expected before the end of the year.

This will be the first corporations in Shanghai to engage in international financial business since the People's Republic was founded in 1949. It will also contribute to the city's dream to become a national financial centre, according to a local financial official.

The joint venture financial corporation, the Shanghai International Finance Company Ltd or SIFCO, will be set up by the Sanwa Bank of Japan, Hong Kong's Bank of East Asia Ltd, the Bank of China Shanghai Branch and Bank of Communications Shanghai Branch.

The company, with equal investment by the four partners and a duration of 30 years, will be significant to the internationalization of China's financial industry, said

Huang Shaohua, a BOC official who is expected to be the deputy general manager of the new corporation.

It will also be a good way to attract overseas capital, said Ma Huiping, an official from the local Bank of Communications who is also expected to go to the new corporation.

Local financial officials said that the approval of such financial corporations is now possible for the central bank after the rules for financial businesses with overseas funds in Shanghai were announced last month.

Although the business scope of a financial corporation is narrower compared with foreign-funded banks who can engage in international settlement, financial corporations can do such business as foreign currency investment and guarantee, and giving foreign currency loans.

The company, which has waited for approval for two years, is expected to have its business offices in the Pudong New Area as well as in the Shanghai Centre in central Shanghai.

#### **Report on Foreign Commercial Offices in Shanghai**

*OW2410141690 Beijing XINHUA Domestic Service  
in Chinese 0136 GMT 20 Oct 90*

[By reporter Xia Ruge (1115 0320 7041): "An International 'Bridge'—A Brief Look at Foreign Commercial Offices in Shanghai"]

[Text] Shanghai, 20 Oct (XINHUA)—The pleasant sound of telephones ringing can be heard from early morning till night as all types of economic information in Shanghai leave in the form of radio waves from the Friendship Building at Yanan East Road to the five continents.

This glass-walled structure was the first foreign commercial office building built in Shanghai after the city adopted the policy of opening to the outside world. The building houses more than 120 foreign commercial offices in Shanghai. All of its offices have been rented. Following its construction, more foreign commercial office buildings, such as the Ruijin Building and the Jinjiang Club, were built in Shanghai. Currently, a total of 517 foreign businesses have offices in these buildings. Many of them are internationally known giant enterprise groups, transnational corporations, and prestigious enterprises, including General Electric, DuPont, and Wang of the United States; Japan's nine big corporations; Germany's Siemens and Krupps; Britain's Jardine Matheson; and others.

The construction of foreign commercial office buildings has satisfied the needs of foreign businessmen who have come in large numbers to Shanghai since it was opened to the outside world. In the past 10 years of opening to the outside world, the number of Shanghai's foreign trade companies has increased from 20 to more than 120. They have established trade relations with more than 30,000 foreign firms from 170 countries and



regions. During this period, Shanghai has absorbed more than \$3 billion in foreign investments, and more than 800 joint ventures, cooperative enterprises, and wholly foreign-funded enterprises have been established. Shanghai also has built 58 overseas enterprises in 26 countries and regions, and concluded hundreds of contracts for constructing projects and providing labor services abroad. The development of Pudong, which began this year, has attracted many foreign businessmen. From June of last year to this August, another 136 foreign business offices were established in Shanghai. The rate of increase exceeded that of any other period in the past.

The foreign business offices of 26 countries and regions, including the United States, Japan, Britain, France, Canada, Sweden, Italy, Thailand, Belgium, Denmark, and Hong Kong are actively using economic information from various sources and participating in negotiations in connection with participating in Shanghai's economic projects abroad. Since China announced its decision to open up and develop Pudong, foreign business offices in Shanghai have actively spread information in their respective countries. Many foreign business offices have organized inspection tours of Pudong to provide their headquarters with detailed information on which to base investment. In the past few years, nearly all of the joint ventures, cooperative enterprises, and wholly owned enterprises set up by foreign businessmen in Shanghai, particularly the bigger ones, can be attributed to the efforts of the foreign business offices in Shanghai.

These foreign business offices also have helped Shanghai to expand its foreign trade abroad, enabling Shanghai products to enter the world market. In the past, Shanghai's garments were not sold in by big companies because of their outdated fashions. By actively coordinating with the Yagi Company of Japan and the Durban, (Liskrup), and (Highlow) companies of the United States, Shanghai's garment industry has found a new way to cooperate with the world's famous fashion designers and to manufacture garments according to imported designs under a fixed brand-name. Since then, Shanghai's garments have assumed a new appearance, their value has risen many fold, and they are flowing into high-class foreign markets.

To expand the business operations of their business offices in Shanghai, foreign businessmen have employed a large number of Chinese workers. At present, more than 1,000 Chinese personnel are working for over 500 foreign business offices in Shanghai. Cooperation between personnel of foreign business offices and the Chinese workers they have hired in Shanghai has effectively promoted the development of economic and trade relations between China and foreign countries.

"Our business is in Shanghai," many personnel of foreign business offices in Shanghai say with pride. They have regarded Shanghai as their second native land. In the western suburbs of Shanghai—the Hongqiao Villas and Yinbo Village—there are many small foreign-style houses among groves of green trees. More than 150

families of personnel of foreign business offices live here. These families have adapted themselves to life in Shanghai. Every morning, the husbands go to work in the city, while the wives stay home to manage household affairs or go to nearby department stores of their choice to purchase daily necessities and nonstaple foods. When in a good mood, they go in groups of three or five to the city to purchase nonstaple food from free markets. Their hobbies include studying Chinese, calligraphy, Chinese painting, and cooking.

#### Envoys Visit International Relief Aid Areas

OW2510044090 Beijing XINHUA in English  
0152 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—Diplomats from 18 countries and representatives from international organizations recently visited areas in east China's Zhejiang and Fujian Provinces, which were hit by natural disasters and rebuilt with relief aid from foreign countries and international organizations.

Over the past couple of years, 30 countries and international organizations have provided China with relief aid worth 20 million U.S. dollars. In order to let the countries and international organizations concerned learn how the aid is used, the ministries of civil affairs, foreign economic relations and trade and foreign affairs jointly invited foreign diplomats to make a fact-finding tour of the areas which have received the relief.

They first visited Hutou village in Shengxian county in Zhejiang on October 17.

The village was rebuilt within 100 days with relief aid from the World Food Program (WFP) of the United Nations and the local government and organizations after it was hit by floods July 30, 1988.

To commemorate the fight against the disaster and the relief aid from the WFP and other sources, the local people have erected a monument in the village.

The other village the foreign diplomats and officials visited is Long'an village in Jianyang county, Fujian Province.

Two years ago the village was hit by a mountain slide in the wake of floods. A total of 19 people died and 95 households were made homeless in the disaster.

After the disaster, international organizations and foreign countries provided prompt relief aid. Eight villages including Long'an received relief funds worth 430,000 U.S. dollars from Italy, Japan and Australia, and 5.61 million yuan was raised locally.

A total of 421 houses for 1,900 local people with a total floor space of 53,000 sq m have been built in the villages.

Accompanying the foreign diplomats and officials was Doje Cering, vice-minister of civil affairs. He said that

China has formulated strict rules and regulations on the use of relief funds and goods.

### Visitors View Traditional Medicine Facilities

OW2310024390 Beijing XINHUA in English  
1652 GMT 22 Oct 90

[Text] Beijing, October 22 (XINHUA)—Some 150 representatives from foreign embassies and cooperations in China visited some typical facilities of traditional Chinese medicine here today.

The foreigners visited the Beijing College of Traditional Chinese Medicine, the Department of Orthopaedics at the Chinese Academy of Traditional Chinese Medicine and the 317-year-old Beijing Tongrentang Pharmaceutical Factory.

Researchers from these organizations briefed the visitors on the history of the traditional Chinese medicine and its current development. Traditional therapies or treatments, including massage and bone-setting, were also exhibited to the visitors.

The purpose of the visit is to enlarge and strengthen the cooperation between Chinese and foreign medical organizations, said Zhu Jie, vice director of the State Administration of Traditional Chinese Medicine (SATCM), sponsor of the activity.

According to Zhu, the field of traditional Chinese medicine now has a one-million staff, 31 colleges and universities and 176 research institutes in China. Chinese medicine has been exported to 120 countries and regions. Chinese researchers now cooperate with those of nearly 100 countries and regions within this field. Among the 26 joint research centers of traditional medicine set up by the World Health Organization (WHO), seven are established in China, Zhu said.

M. Abdelmoumene, the WHO's deputy director-general, said that traditional Chinese medicine has made remarkable contributions to the cause of preventing and curing various diseases.

"Its rich experiences and complete theory have spread to the whole world," the official said, adding that the content of traditional Chinese medicine has been included in the solution of the world health conference.

Catello Cesarano, scientific attache at the Italian embassy in China, told XINHUA that traditional Chinese medicine, such as acupuncture, has begun to extend in his country and the researchers there hope to collaborate with their Chinese counterparts.

With the deepening of scientific research, there will be "a great future in the field of traditional Chinese medicine", Cesarano said.

Liu Guobin, development program manager of the WHO's regional office for the Western Pacific, Dr. B. R.

Kean, the WHO's representative in China and Farid Samadah, Lebanon ambassador to China, also attended today's activity.

### Fujian Seminar Recalls Ancient Philosopher

OW2110214490 Beijing XINHUA in English  
1450 GMT 20 Oct 90

[Text] Fuzhou, October 21 (XINHUA)—An international seminar on Zhu Xi (1130-1200), an ancient thinker, philosopher and educationist, opened today in this capital of Fujian Province to mark the 860th anniversary of Zhu's birth.

Present at the seminar were 280 experts and scholars from 13 countries and regions including China, the United States, the Soviet Union, France, Japan, Canada, Singapore, Malaysia, Taiwan, Hong Kong and Macao.

Cheng Xu, honorary council director of the Wuyi Mountain Research Center on Zhu Xi, said at the opening ceremony that Zhu, of the Song Dynasty (960-1279) and a native of Fujian, established a new school of Confucianism that had profound impact on the culture of Eastern Asia.

The study of Zhu Xi's thinking has attracted more and more scholars in the world.

Some 120 papers have been submitted to the seminar, which will end on October 24.

During the seminar, a memorial hall for Zhu Xi will open on the Wuyi Mountain.

The seminar was jointly sponsored by Wuyi Mountain Research Center on Zhu Xi, Fujian Research Society on Zhu Xi's Theory and the China Confucius Foundation.

## Soviet Union

### Liu Huaqing Holds Talks With Delegation Leader

OW2510122690 Beijing XINHUA in English  
1201 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—A Soviet Government delegation led by E.S. Bielowsov, vice-chairman of the Council of Ministers of the Soviet Union, arrived in Beijing by air at noon today to pay a good-will visit to China.

The Soviet delegation is here at the invitation of Liu Huaqing, vice-chairman of the Central Military Commission of the People's Republic of China. Bielowsov's current visit is a return one to Liu Huaqing's in June.

Liu and Bielowsov held talks this afternoon. Later, Liu and his wife hosted a banquet for Bielowsov and Mrs. Bielowsov and other members of the delegation at the Great Hall of the People.

**Jilin Group Completes Maritime Region Visit**

SK2510120090 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 23 Oct 90

[Text] Upon the invitation of the Maritime Region branch of the Soviet-China Friendship Association, a five-member delegation of Jilin Province's Association for Friendship With Foreign Countries and the Jilin Province's China-Soviet Friendship Association, headed by Gao Yan, member of the Standing Committee and director of the organizational department of the provincial party committee, paid a friendly visit to the Maritime Region of the Soviet Union from 15 to 22 October.

During their visit in the Maritime Region, all members of the delegation were received by (Buzniezov), chairman of the executive committee of Maritime Region, and by [words indistinct], vice chairman of the executive committee of the region. The two sides reached in principle a consensus in the fields of establishing friendship ties between Jilin Province and the Maritime Region, and in constantly strengthening and expanding friendly contacts and cooperations between the province and the region. The two sides also discussed matters on opening as early as possible the port of [words indistinct] in the Soviet Union. The Soviet side also formally handed to the delegation the namelist of the [words indistinct] committee for economic and trade cooperations between Jilin Province and Maritime Region.

During its stay in the Soviet Union, the delegation also visited (?Vladivostok), Nakhodka, the (?east) port, Ussurijsk, and (Slavyanka); met with pertinent leaders; visited the Maritime Region branch of the Soviet-China Friendship Association, [words indistinct], and other friendly organizations; and visited some enterprises and schools. Wherever it went, the delegation was warmly received and welcomed. When in the (?east) port, the delegation visited Jilin Province's construction workers who were working there, and extended cordial greetings to them on behalf of the provincial party and the government. This visit of the delegation has promoted understanding and deepened friendship between the two sides, and achieved satisfactory results.

The delegation returned to Changchun on the morning of 23 October. Meeting the delegation at the station were Liu Yunzhao, director of the provincial branch of the China-Soviet Friendship Association and chairman of the provincial committee of the Chinese People's Political Consultative Conference; (Zhang Hongwen), acting secretary general of the provincial government; (Zhan Dongxing), deputy secretary general of the provincial party committee; (Zhang Haifang), deputy director of the organizational department of the provincial party committee; and Liang Jichang, deputy director of the provincial foreign affairs office.

**Inner Mongolian City Thrives on Border Trade**

OW2410180890 Beijing XINHUA Domestic Service  
in Chinese 0605 GMT 21 Oct 90

[Newsletter by reporters Qian Yonghong (6929 0737 5725) and Zheng Qingdong (6774 1987 2639): "Border Trade Seen at Border"]

[Excerpts] Hohhot, 21 Oct (XINHUA)— The rise of a modern city comes in tandem with the development of modern industry, commerce, and trade. The thriving border trade enjoyed by Manzhouli, a large outpost in northern China, has transformed this small ancient town into a modern city. [passage omitted]

Manzhouli became the "window to East Asia" with the construction of a railway in 1903. The Manzhouli railway alone carried 2.7 million tons of exports in 1957. The deterioration of Sino-Soviet relations and the closing of borders, however, rendered Manzhouli a forlorn place. Reform and opening to the outside world revived border trade, whereupon it made a quick comeback. And Manzhouli achieved major developments in border trade.

Along the road to the border outpost, which is about 10 kilometers from the city center, we saw trains loaded with carpets, red tiles, and canned food, all heading for the Soviet Union.

Two giant border gates, each 30 meters high and 40 meters wide, stand majestically on China's side of the Sino-Soviet border. In the distance, China's five-starred red flag above the gate flutters in the wind. [passage omitted] Standing near the border gates, we saw the arrival of Soviet wide-gauge freight trains on our side of the border. The trains were loaded with timber and coal. Soviet engine drivers left after presenting their identification papers to border personnel. The light music from the customs building can be heard throughout the outpost.

Personnel working at the outpost told us that some 10,000 tons of Soviet goods are shipped daily to different places in China from here. One hundred to two hundred railway wagons with Chinese commodities are exported to the Soviet Union from here. Border personnel work around the clock to serve passengers and goods. One of the people working at the border says he stamps border crossing papers two to three hundred times a day. Sino-Soviet border trade for all of 1989 reached 101 million Swiss francs. The January-July border trade for this year has already reached 101 million Swiss francs, an all-time record.

Using border trade to stimulate the local economy has become the economic development strategy of Manzhouli and the whole of the Hulun Buir League. Before, Manzhouli exported canned food, soft drinks, dried and fresh fruits, vegetables, and building materials. Now, it exports electronics, medical equipment, small farm machinery, and daily necessities. According to Yu



Hancheng, director of Manzhouli City's Foreign Economic Affairs Committee, Manzhouli City, a city with a small population of 120,000, realized 15 million yuan of profits through border trade last year. He said that 162 trading units from 18 krais, 3 border oblasts, and 3 autonomous republics in the Soviet Union have established trading ties with Manzhouli City. Some 200 Soviet businessmen from Leningrad, Moscow, and from the western Soviet Union visit Manzhouli every year. [passage omitted]

Border trade keeps on affecting Manzhouli. The stately and solemn border gate is a witness to history. It silently watches the great changes that reform and opening to the outside world have wrought for Manzhouli, for the Sino-Soviet border, and for all of China.

#### **Moscow To Stage 'Made-in-Asia-1990' Exhibition**

*OW2610083290 Beijing XINHUA in English  
0644 GMT 26 Oct 90*

[Text] Moscow, October 26 (XINHUA)—Moscow is staging a spectacular "Made-in-Asia-1990" industrial and consumer products exhibition from October 30 to November 3, the Soviet news agency TASS reported today.

About 70 major firms from China, Hong Kong, Indonesia, India, Japan, South Korea, Malaysia, Singapore, Taiwan, the Philippines, Pakistan, and Thailand are taking part.

"The exhibition will provide an opportunity to see goods produced by countries of the Asia-Pacific region," said Leonid Shcherbinin, one of the organizers.

"It will feature textiles, clothing, footwear, household utensils, clocks and watches, jewelry, video equipment and computers," he added.

According to Shcherbinin, the exhibition will provide an excellent opportunity for the Soviet Union to find business partners from Asian and Pacific countries, to hold commercial talks and to discuss prospects for co-operation in the sphere of computer facilities and technology, of joint production of light industrial products and other consumer goods.

The firms taking part hope to sell the samples on display, to conduct goods exchange operations and to find partners in organising direct deliveries of their goods to the USSR and East European countries.

Publishing firms will also take part in the exhibition. They are ready to discuss with Soviet partners the publication and marketing of books and booklets for businessmen.

## **Northeast Asia**

### **Reportage Continues on Korean War Anniversary**

#### **Theater Soiree Held in Beijing**

*OW2610105790 Beijing XINHUA Domestic Service  
in Chinese 1545 GMT 25 Oct 90*

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 25 Oct (XINHUA)—The Ministry of Civil Affairs and the General Political Department of the People's Liberation Army sponsored a soiree at the China Theater tonight marking the 40th anniversary of the participation of the Chinese People's Volunteers in the overseas war to resist U.S. aggression and aid Korea.

A resonant voice singing "Marching over the Yalu River valiantly and spiritedly..." a song entitled "The War Song of the Chinese People's Volunteers," was a prelude to the soiree. Songs such as "Ode to the Motherland," "Marching Bugle," "The People of the World Are United Together," "Song Praising Our Heroes," "Guerilla's Marching Song," and "My Motherland" took the audience back to Korean War times. These songs praised the flesh-and-blood ties of the people and their motherland. Dances such as "Great Warriors" and "Women of the Villages in the Front Line" reflected the indomitable and heroic spirit of the Chinese People's Volunteers marching forward courageously and the true love and friendship of the Chinese and Korean peoples who shared a common destiny in fighting together against the enemy.

Attending the party were leading Comrades Yang Baibing, Yang Dezhi, and Yang Bicheng, as well as some former comrades of the Chinese People's Volunteers, together with responsible comrades of the Ministry of Civil Affairs and the General Political Department.

#### **Respects Paid at Cemetery**

*OW2510174690 Beijing XINHUA in English  
1609 GMT 25 Oct 90*

[Text] Hwachang, Korea, October 25 (XINHUA)—Three visiting Chinese delegations today paid their respects to the martyred volunteers' cemetery located in South Pyongau Province of the Democratic People's Republic of Korea (DPRK).

The Chinese Party and Government delegation led by Li Tieying, member of the Political Bureau of the Chinese Communist Party Central Committee and state councillor, the Chinese People's Friendship Delegation led by Huang Huang and the delegation of former Chinese People's Volunteers led by Zhang Zhen joined the DPRK representatives on this day of remembrance.

Among those accompanying the Chinese guests included Choe Kwang, member of the Political Bureau of the

Korean Workers' Party Central Committee, the Korean People's Army general chief of staff, and the party leader of the province.

Moreover, at a volunteer statue of the cemetery, a wreath bearing the words "Eternal Glory to the Chinese People's Volunteers" was presented by Korean President and Party General Secretary Kim Il-song.

Li and other Chinese guests paid homage to 134 martyr tombs including martyred volunteer Mao Anying's tomb, which was covered by a wreath from DPRK President Kim Il-song with the inscription "To Comrade Mao Anying, Son of the Korean People's Close Comrade-In-Arm Mao Zedong."

After the visit, the Chinese guests were given a luncheon by the province committee. At the function, Kim Mansong [name as received], chairman of the provincial administration and economic guidance committee, said the Korean people would never forget the Chinese people's volunteers who supported the Korean people at their most difficult time.

General Zhang replied by stating that the Chinese and Korean people should support each other and march forward together in the socialist construction as they did over the past 40 years.

Meanwhile, the Chinese guests, accompanied by Vice-Marshal O Chin-u, member of the Presidium of the Political Bureau of the Korean Workers' Party Central Committee and minister of the Korean People's Armed Forces, and Yi Chong-ok, member of Politbureau and vice-president of the Democratic People's Republic of Korea, presented wreaths at the cemetery of the Korean revolutionary martyr and the Korea-China friendship tower.

#### Leaders Speak at Banquet

OW2510215490 Beijing XINHUA Domestic Service  
in Chinese 1631 GMT 25 Oct 90

[By reporter Li Nengqing (7812 5174 3237)]

[Text] Pyongyang, 25 Oct (XINHUA)—DPRK President Kim Il-song gave a grand banquet at the Kumsusan Assembly Hall this evening to commemorate the 40th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean War.

The banquet began with the playing of the Chinese and Korean national anthems. Premier Yon Hyong-muk was the first to speak at the banquet. He said: The CPV's entry into the Korean War was a brilliant expression of the Chinese people's selfless revolutionary support, as well as their traditional friendship, comradely obligation, and noble spirit of proletarian internationalism toward the Korean people.

He said: Under the banner of "Resisting U.S. Aggression and Aiding Korea, Safeguarding the Home and Defending the Country," the CPV warriors went to the

frontline in Korea, unselfishly sacrificing their precious youth and lives, safeguarding every inch of our motherland, and thereby setting up the genuine noble examples of internationalist fighters.

He said: Despite the complex international situation, the fraternal Chinese people, under the correct guidance of the CPC leadership with the esteemed Comrade Jiang Zemin as the nucleus, have achieved great advances in consolidating national stability and unity, upholding the four cardinal principles, deepening the reform and opening wider to the outside world, and building socialism with Chinese characteristics. China's international status has been increasingly enhanced because the Chinese Party and Government have always pursued a peace-loving foreign policy.

On the question of Korean reunification, he said: The struggle by the whole peoples in North and South Korea for bringing to an end the tragedy of national separation and achieving reunification of the motherland is rising to an unprecedented height. The people of our country will realize national reunification through the peaceful means of unity, on the basis of one country and one nation, and under the confederate formula of two systems and two governments so that neither side will annex the other side.

In return, Li Tieying, head of the Chinese Party and Government delegation, spoke.

He said: The great Sino-Korean friendship sealed in the blood of the two peoples has taken root in the hearts of the peoples of the two countries and will stand any tests of storm.

He said: The Korean people not only won great victories during the war but also achieved fruitful results in the post-war socialist construction.

On Korea's foreign policy, Li Tieying said: Implementing an independent, peaceful, friendly foreign policy, the DPRK is a major force in safeguarding peace. A series of active measures taken by Korea recently in external relations are of great importance. These measures have produced gratifying results, to which we highly appreciate.

Referring to the Korean reunification, Li Tieying said: The premiers of the North and South have recently held two meetings, which have become events of great significance in the North-South relations. The CPC, the Chinese Government and people have always resolutely supported the Korean people's just cause of the peaceful reunification of the country.

In conclusion, Li Tieying said: The Chinese and Korean peoples are comrades and brothers who are advancing shoulder to shoulder along the road of socialism for the common ideals. No matter how the international situation may change, the party and government of China will do their best to strengthen and develop Sino-Korean friendly and cooperative relations.

Before the banquet, President Kim Il-sung had a cordial meeting at the Kumsusan Assembly Hall with the Chinese Party and Government Delegation, the Chinese People's Friendship Delegation, the Delegation of the former CPV, the Heroes' Delegation of the Former CPV, and the Delegation of Martyrs' Families of the Former CPV.

Present at the meeting were O Chin-u, Standing Committee member of the Political Bureau of the Workers' Party of Korea [WPK] Central Committee and minister of People's Armed Forces; Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Yon Hyong-muk, member of the Political Bureau of the WPK Central Committee; and other Korean party, government, and military leaders Kim Yong-nam, Kye Ung-tae, and Choe Kwang.

Chinese Ambassador to Korea Zheng Yi was also on hand.

After the meeting, the two sides attended the evening banquet together. Attending the banquet were also Major General Tian Sheng, CPV member of the Korean-Chinese side of the Korean Military Armistice Commission, and comrades of the CPV Liaison stationed in Kaesong.

#### **Liaoning Friendship Delegation Leaves for Korea**

*SK2510114290 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 23 Oct 90*

[Text] At the invitation of the Administrative and Economic Guidance Committee of the North Pyongan Province of Korea, an eight-member Liaoning Provincial friendship delegation led by Li Jun, vice chairman of the provincial people's congress Standing Committee, left Dandong this morning for the North Pyongan Province of Korea to attend the activities to commemorate the 40th anniversary of the day when the Chinese People's Volunteers entered Korea to fight the war. When leaving Shenyang on the afternoon of 21 October, the delegation was sent off by Yu Xiling, vice chairman of the provincial people's congress Standing Committee, and other leaders. Yu Man-pok, consul general of the Korean consulate general in Shenyang, also went to the station to send off the delegation.

#### **'Roundup' Favors Dialogue on Korean Reunification**

*OW2510131190 Beijing Domestic Service in Mandarin 0530 GMT 23 Oct 90*

["Roundup" by station reporter (Yin Dongsheng): "Strengthen Dialogue To Eliminate Estrangement"]

[Text] Following the first high-level talks between North and South Korea held in Seoul in September, the second high-level talks between the premiers of North and South Korea was held in Pyongyang on 17 and 18 October. This was an important event in the process of improving relations between North and South Korea.

In the first round of talks between North and South Korea in September, both parties broadly discussed the elimination of political and military confrontation between them and the realization of multifaceted cooperation and exchanges.

North and South Korea held the second round of high-level talks on 17 October. In the first round, Yon Hyong-muk, DPRK's premier of the State Council and head of the North Korean delegation, said that attempts to apply the general formula of developing bilateral relations between nations on the reunification of Korea, or to imitate the Western European model of confidence building and the process of unification of East and West Germany are rather unrealistic. He proposed the method of retaining the two social systems and two regional governments and one country and one nationality to realize Korea's reunification. Commenting on ways to eliminate mutual distrust, Yon Hyong-muk stressed: We always attach utmost importance to eliminating the state of political and military confrontation. On the basis of solving this issue, we adhere to the corresponding principle of promoting humanitarianism and the principle of cooperation and exchanges. In his speech, Yon Hyong-muk suggested that both parties make a nonaggression declaration. He also proposed the draft declaration that includes a preface and seven clauses.

Kang Yong-hun, premier of South Korea and head of the South Korean delegation, presented in his keynote speech three topics to be resolved at the present time. First, the need to change the policy that negates political system of the other side for the sake of expediting the realization of reunification of the motherland, improving North-South relations, moving into an era of reconciliation and cooperation. Second, give priority to allow visits between separated family members to relieve the pain brought to the people as a result of division. Third, develop cooperative relations between the North and the South and carry out economic exchanges and cooperation before peaceful reunification.

North and South Korea carried out the second round of closed-door talks on 18 October. After the talks, spokesman for the delegation of the northern side said that this round of talks mainly discussed the draft on nonaggression declaration proposed by the North in the first round of talks. During the talks, both parties achieved a common understanding on the discussion and approval of the nonaggression draft. The North hoped that an agreement can be reached in the next round of talks. A spokesman for the South Korean delegation said that the nonaggression draft proposed by the North during the talks showed a constructive attitude of the North. Contents of the draft do not differ much from the similar proposal made previously by the South. As such, the South highly acclaimed and welcomed it.

On the same day, Korean President Kim Il-sung met with South Korean Premier Kang Yong-hun and other members of his delegation. During the meeting, Kim Il-sung said: We should realize the great undertaking of



reunification of the motherland in our generation and pass the unified motherland to the next generation. As such, we must use the federation method of one country and one nationality, two systems and two governments, and the peaceful means of not gobbling up the other side and not be gobbled up by the other side to realize the reunification of the country.

Anyhow, North and South Korean have reached a common understanding on improving bilateral relations after two rounds of high-level talks. This is an important step in the process of improving relations. Facts have shown that only through dialogue and consultation can North and South Korea further eliminate confrontation and estrangement and realize the country's peaceful reunification.

#### **Yang Shangkun Optimistic About Ties With Japan**

##### **Nations' Friendship Strong**

OW2610120890 Beijing XINHUA in English  
0827 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—Chinese President Yang Shangkun today expressed optimism for continuing development of the Sino-Japanese relations.

Yang voiced his optimistic remarks during a meeting with a delegation from the Japan-China Friendship Association, which is headed by its Chairman Tokuma Utsunomiya and Vice-Chairman Chuji Kuno.

Yang extended a warm welcome to the visitors, who are visiting China during the 48th anniversary of the founding of their organization.

Long before the establishment of Sino-Japanese diplomatic relations, Yang noted, the Japanese association had been working for friendship between the two countries. Therefore, "you can be called the pioneers of Sino-Japanese friendship," a Chinese official present at the meeting quoted Yang as saying.

No matter whether bilateral ties were developing smoothly or were suffering from setbacks, Yang said, the association has always been "holding high the banner of friendship between China and Japan."

Referring to the present status of Sino-Japanese ties, Yang said that in terms of general direction, they have been developing well and that existing particular difficulties can be overcome sooner or later. "I'm optimistic about the development of the Sino-Japanese friendly relations," Yang said.

The visitors expressed their willingness to continue working for that friendship.

#### **Opposed to UN Bill**

OW2610125990 Tokyo KYODO in English 1240 GMT  
26 Oct 90

[Text] Beijing, Oct. 26 KYODO—Chinese President Yang Shangkun warned Friday that the Japanese Diet's adoption of a bill to allow the dispatch of troops overseas would be met with "severe and emotional repulsion" by the Chinese people.

Yang is the first Chinese leader to directly state his opposition to the United Nations Peace Cooperation Bill.

Last week, the Chinese Foreign Ministry expressed its opposition to the bill, now being debated in the Diet.

Meanwhile, Japanese Ambassador to China Hiroshi Hashimoto called upon Vice Foreign Minister Qi Huaiyuan on Friday to explain Tokyo's position on the bill and ask for Beijing's understanding.

Hashimoto told Qi that Japan intends to act only in concert with U.N. resolutions and will not exercise military force, Taizo Watanabe, Japanese Foreign Ministry spokesman, said in Tokyo.

Yang, speaking to a mission of the Japan-China Friendship Association led by Tokuma Utsunomiya, a House of Councillors member, also indicated that China is likely to expand its exchanges with South Korea. The two countries agreed last week to exchange trade offices.

According to Chuji Kuno, vice president of the Japan-China Friendship Association, who was also present at the meeting, Yang explained that the memory of Japan's prewar and wartime invasions remains fresh among people of the victim nation.

"We worry that there will be a repetition of history," Yang said, suggesting similarities in the proposed dispatch of Japan's Self-Defense Forces (SDF) and the aggression of Japan's Imperial Army before and during World War II.

"Several years have passed since the unfortunate history of the past, but the memories and realities can never be erased from the people," Yang said, adding, "We hope that the Japanese Government will manage the problem with prudence upon prudence."

In Tokyo, Watanabe told reporters Friday that Japanese ambassadors stationed throughout Asia will be calling upon their host governments to explain that Tokyo intends to work within the framework of the U.N. in its proposed law.

The Chinese president also brought up the fear that the territorial dispute over a chain of uninhabited islands in the East China Sea may flare up again between China and Japan (and Taiwan), but during the talks with Utsunomiya focused primarily upon the peace cooperation bill before the Japanese Diet.

Yang remarked that Japan did not consider how the bill would "irritate the feelings of the Chinese masses," indicating that Tokyo may need to consider a new course to avoid a worsening of relations with Beijing.

Kuno asked Yang if China is inclined to support North Korea's policy of "one Korea" or would it consider approving Seoul's bid for a separate United Nations seat—something that Pyongyang says would perpetuate the division of the Korean peninsula.

Yang remarked that Beijing wants to see a unified Korea, but allowed that "before unification, there are a number of things that must be done and a number of difficulties exist."

He further indicated a disposition toward expanding exchanges with Seoul, saying, "Even though we don't have diplomatic relations with South Korea, we have conceived of measures to deepen humanitarian and economic exchanges."

#### Editorial on Defense of Territory, Sovereignty

HK2610090090 Hong Kong WEN WEI PO in Chinese  
26 Oct 90 p 2

[Editorial: "China Staunchly Defends Territory and Sovereignty"]

[Text] From the fact that a Chinese Foreign Ministry spokesperson has declared four times in seven days, China's stand on defending its sovereignty over the Diaoyu Islands we can see Beijing's solemn, serious, and unequivocal attitude. Yesterday, the Foreign Ministry spokesperson stressed: "China will take necessary measures in line with the developments of the Diaoyu Islands incident." "The Diaoyu Islands have always been part of Chinese territory and China has indisputable sovereignty over them. The Chinese Government strongly demands that the Japanese Government take effective measures to quickly halt the Japanese right-wing groups' conduct that encroaches upon China's sovereignty, and that it prevent similar occurrences. Moreover, it also strongly demands that the Japanese Government immediately stop all acts that encroach upon China's sovereignty over the Diaoyu Islands and adjacent waters."

The Chinese Government's attitude is firm and clear-cut. The Diaoyu Islands incident was stirred up by the Japanese, who should of course bear the responsibility, and take effective measures to quickly stop the Japanese right-wing organizations' acts that encroach upon China's sovereignty. If Japan fails to do that, it will have an unfavorable effect on the relations between the two countries. China will take necessary measures in line with the developments of the Diaoyu Islands incident.

The Chinese Government attaches great importance to Sino-Japanese relations, and has always held that China and Japan should set store by overall interests and

prudently handle the Diaoyu Islands incident, thus preventing it from affecting bilateral relations. But this is a bilateral affair and China has taken a prudent attitude. What about Japan? We shall now see whether Japan will take a prudent attitude. By saying it will take necessary measures in line with the development of the situation, China has shown that it both exercises restraint and upholds principle.

Taiwan compatriots, Overseas Chinese, and Hong Kong and Macao compatriots, share a common hatred of Japan's encroachment on Chinese sovereignty over the Diaoyu Islands, and have expressed their stand of staunchly defending China's territorial integrity and sovereignty by reasonable means. This is right and proper, and Beijing fully understands and affirms the compatriots' patriotic feelings. This patriotic enthusiasm is valuable and should be treasured. It is a tremendous force for preventing and opposing Japan's attempt to revive militarism. The fact that Taiwan compatriots, Overseas Chinese, and Hong Kong and Macao compatriots unite to defend the state's sovereignty has once again demonstrated the great unifying force of the Chinese nation.

In recent days, the populace and newspapers in Taiwan and Hong Kong have also aired numerous incisive views on measures to cope with the Diaoyu Islands issue. Many compatriots point out that Japan's encroachment of the Diaoyu Islands reflects the necessity and urgency of China's reunification, stressing that only by strengthening the Chinese nation's military and economic strength is it possible to defend the territory of the motherland. Eleven of Taiwan's "legislative councillors" hold that the Taiwan authorities should contact Beijing through appropriate channels so that both sides of the strait can take unified action in dealing with foreign countries. A newspaper editorial in Hong Kong pointed out: China has border disputes with the Soviet Union, India, and Vietnam, and there have been armed conflicts. But the question of how to delimit boundary lines should eventually be solved through diplomatic talks. If it is not easy to solve territorial and sovereignty issues in a short time, they might as well be set aside for the time being. There was also a column holding: "China's territorial and sovereignty disputes cannot be completely resolved overnight. The question is, Japan should be ready to reaffirm the relevant clauses in the 'Sino-Japanese Treaty of Peace and Friendship' and recognize that the Diaoyu Islands are an outstanding territorial issue. As for the question of how to deal with and discuss the issue, it can still be prudently dealt with through diplomatic channels and peaceful consultation, and in line with the principle of fighting on just grounds, to our advantage, and with restraint."

Another newspaper editorial also pointed out: "The complexity of practical politics indicates that, in addition to the principal aspect of patriotism in the new movement to defend the Diaoyu Islands, we cannot exclude the possibility of people taking advantage of this opportunity to oppose the Kuomintang, oppose the

communist party, promote Taiwan independence, or promote reunification. The orientation of the movement should be directed at the Japanese Government's disgusting conduct. Most of the Japanese people are also opposed to Japan taking to the path of militarism again. We should make clear to the Japanese people that it is Japan that has unreasonably and forcibly occupied China's territory and not the Chinese that have bullied Japan."

These statements show that compatriots in Taiwan, Hong Kong and Macao are not only filled with patriotic ardor but also have sober and tactical minds. They know how to defend the Diaoyu Islands so as to get the best results.

It is disclosed that at a meeting with two Japanese politicians planning to visit China, Japanese Prime Minister Toshiki Kaifu indicated that the Liberal Democratic Party has opted for prudent handling of the lighthouse issue and suspension of recognition. He also said that Japan attaches importance to Beijing's reaction to, and attitude toward the Diaoyu Island incident. Judge people by their deeds, not just by their words. In the future, Beijing and compatriots in Taiwan and Hong Kong will certainly watch Japan's moves closely.

#### **Tian Jiyun Meets Japanese Business Delegation**

OW2510141490 Beijing XINHUA in English  
1237 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—Chinese Vice Premier Tian Jiyun met Masami Okano, president of the Okano Valve Manufacturing Corporation of Japan, and his party here this afternoon.

The visitors are here as guests of China Association for International Friendly Contacts.

#### **Wu Xueqian Meets Japanese Visitors**

OW2510142790 Beijing XINHUA in English  
1324 GMT 25 Oct 90

[Text] Beijing October 25 (XINHUA)—Chinese Vice Premier Wu Xueqian met here today with Yasue Katori, president of the Japan Foundation and former Japanese ambassador to China.

Katori and his party were here as the guests of the Academy of Social Sciences of China.

#### **Zou Jiahua Meets Japanese Economic Visitors**

OW2610090090 Beijing XINHUA in English  
0838 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—Zou Jiahua, state councillor and minister of the State Planning Commission, met with former director-general of Japan's Economic Planning Agency Sumiko Takahala and her party here this afternoon.

#### **Shanghai Official Leads Mayors on Japan Visit**

OW2510122590 Shanghai City Service in Mandarin  
2300 GMT 24 Oct 90

[From the "Morning News" program]

[Text] Led by Huang Ju, permanent vice mayor of Shanghai, a delegation of Chinese coastal cities' mayors hoping to promote exchanges arrived in Tokyo, Japan on the evening of 22 October.

Over the past few days, the delegation has received warm attention and welcome from people in all circles in Japan.

After calling on Yang Zhenya, Chinese ambassador to Japan, the delegation met with Noboru Takeshita, former Japanese premier, and Kiichi Miyazawa, former deputy premier and finance minister, respectively at the Takeshita Office and Hotel Okura.

Delegation leader Huang Ju had friendly talks with Takeshita and Miyazawa and expressed his heartfelt thanks for their concern and support in promoting Sino-Japanese friendship and economic exchanges, as well as Shanghai's economic construction. He also extended regards to them on behalf of Mayor Zhu Rongji.

At the meetings, Takeshita and Miyazawa spoke highly of the achievements by China's coastal cities in the course of reform and opening to the outside world and said they would do their best to promote the development of Shanghai's Pudong New Zone, as well as Japanese-Chinese economic relations.

Together with the Chinese entrepreneurs delegation headed by Ma Yi, the delegation also held discussions with Japan's Federation of Economic Organizations and Japan-China Economic Association.

At the meeting, Huang Ju was invited by the Japanese side to brief the participants on the progress in the development of Pudong, Shanghai. He said: The planning and construction of the infrastructure facilities in now in full swing in the Pudong New Zone. Large projects each with investment of more than \$100 million are being negotiated. Huang Ju also answered questions by Japanese business circles on the development of Pudong.

While in Tokyo, the delegation also visited the two big companies—Marubeni and Mitsubishi.

On 24 October, Vice Mayor Huang Ju led the delegation to Yokohama, a sister city of Shanghai, and paid a visit to Mayor Hidenobu Takahide.



**Shanghai Sets Up Joint-Venture Finance Company**

OW2410182090 Shanghai City Service in Mandarin  
1000 GMT 24 Oct 90

[Text] A ceremony for signing a contract for the establishment of the Shanghai International Finance Company, Limited, was held this afternoon. The company will be Shanghai's first joint-venture finance company using Chinese and foreign capital. It is a joint venture involving investment by the Shanghai branch office of the Bank of China, the Shanghai branch office of the Bank of Communications, Japan's Sanwa Bank, and Hong Kong's Bank of East Asia. Located in the (Lujiazui) banking district of Pudong, it will handle mainly international banking business.

**Beijing Hosts International Symposium on Japan**

OW2510141290 Beijing XINHUA in English  
1249 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—Over one hundred Chinese and foreign scholars attended an international symposium held here today to discuss Japan in the 21st century.

The scholars agreed that the future orientation of Japan has become a very important factor in the present world of multi-polarization, and that Japan has entered a period of policy readjustment.

Some scholars said that Japan faces two paths in its future development. One is to self-examine its history and choose the path of peaceful development, and the other is to try to enter political and military "forbidden areas" and finally to reemerge as a strong military power.

They pointed out that included in efforts to solve the present Gulf crisis is Japan's move to make breakthroughs in the military area, which deserves attention.

Economically, Japan will achieve higher growth than other industrial countries, assuming no interruption by major political or economic events, scholars said.

Japan will remain a major supplier of capital and will strengthen its position in the world's three economic poles—Europe, the United States and Japan.

When discussing Japanese culture, some scholars pointed out that it has unique characteristics and that the Japanese people are good at learning from other cultures.

Scholars from Japan, the United States, the Soviet Union, Canada, Australia, Thailand, Singapore and China attended the two-day symposium, which is sponsored by the China Society for Japanese Studies and the Chinese Academy of Social Sciences.

**Mongolian Delegation Visits Inner Mongolia**

SK2510111090 Hohhot NEIMENGGU RIBAO  
in Chinese 15 Sep 90 p 1

[By reporter Xiang Ru (3276 5423): "Mongolian Environmental Protection Delegation Visits Our Region"]

[Text] Accompanied by responsible person of a pertinent department under the State Environmental Protection Bureau, a five-member environmental protection delegation from the Mongolian People's Republic, headed by (Migmarzab), first vice minister of the Mongolian Environmental Protection, paid a friendly visit to the Inner Mongolia Autonomous Region on 12 and 13 September.

The environmental protection delegation of the Mongolian People's Republic came to our country for a visit upon the invitation of the State Environmental Protection Bureau.

On the morning of 13 September, the two sides held a friendly talk. During the talk, responsible persons of our region's environmental protection department briefed the guests on the region's situation. Meanwhile, the two sides exchanged opinions on cooperative projects in the field of environmental protection between China and Mongolia.

On the afternoon of 13 September, Liu Zhen, secretary general of the regional government, received all members of the Mongolian environmental protection delegation.

Attending the reception were responsible persons of the regional urban and rural construction and environmental protection department and the regional foreign affairs office; and (Cedebu Baoyinbadalahu), vice consul of the Consul General of the Mongolia.

**Mongolian Delegation of Disabled Persons Arrives**

SK2510112490 Hohhot NEIMENGGU RIBAO  
in Chinese 18 Sep 90 p 1

[Text] On 11-15 September, a five-member delegation from the central board of directors of the Disabled Persons' Association of the Mongolia People's Republic led by (Change Damuding) was invited to visit China at the invitation of the China Disabled Persons' Federation and paid a friendly visit to our region.

The main purpose of the delegation's visit to our region was to understand the development of our region's undertakings for disabled persons and to look into related matters dealing with cooperation in such fields as giving disabled persons special education and medical treatment to help them return to health. The delegation visited the Hohhot City school for the deaf and dumb, the Lixin wood instrument plant, Inner Mongolia Museum, and the Nationalities Commercial Center. The delegation left Hohhot City for home on the morning of 15 September.

## **Southeast Asia & Pacific**

### **Philippines' Aquino Meets NPC Delegation**

#### **Reiterates China Policy**

OW2510115790 Beijing XINHUA in English  
1151 GMT 25 Oct 90

[Text] Manila, October 25 (XINHUA)—Philippine President Corazon Aquino reiterated here this afternoon that the Philippines adheres to "one-China" policy.

The president made the statement at the presidential palace here this afternoon when meeting a visiting Chinese National People's Congress (NPC) delegation led by NPC Vice-Chairman Liao Hansheng.

She expressed her hope that the two countries would further increase their exchanges in various fields.

Mrs. Aquino said that she was very glad that the Chinese delegation has come to visit her country at this time of the year. She wished the delegation a pleasant stay as if they were at their own home.

Liao Hansheng said China is willing to develop friendly relations of cooperation with all Asian countries including the ASEAN countries and is willing to become a very good friend of the Philippines.

He said that China particularly appreciate the "one-China" policy the Philippines adhere.

He conveyed to President Aquino the regards of Chinese President Yang Shangkun, NPC Standing Committee Chairman Wan Li and Premier Li Peng.

Liao and his party arrived here on October 23 for a week-long good-will visit to the Philippines at the invitation of the country's Senate and the House of Representatives.

During their stay in Manila, the delegation has called on Senate President Jovito Salonga and House Speaker Ramon Mitra and Foreign Affairs Secretary Raul Manglapus.

The delegation left here this afternoon for a tour to provinces and is scheduled to return to Manila on October 30 and leave for China the same day.

#### **Philippine Chinese Host Party**

OW2610051290 Beijing XINHUA Domestic Service  
in Chinese 1429 GMT 25 Oct 90

[By reporter Wang Jinhe (3769 6855 0735) and Zheng Jie (6774 2212)]

[Text] Manila, 25 Oct (XINHUA)—More than 300 Chinese in the Philippines gave a luncheon party at noon today in the Chengzhong [Downtown] Hotel in Manila to welcome warmly Liao Hansheng, vice chairman of the Standing Committee of the Chinese National People's Congress, and his entourage.

Jin Yaoshou, vice president of the Overseas Chinese Federation in the Philippines, was the first speaker at the luncheon party. He said: At all times, the Chinese living abroad are concerned about the development of the motherland. "During the 41 years since it was founded, New China has made brilliant achievements while marching on a brambly road. China has now become a powerful country safeguarding peace in the world."

He pointed out: Recently, China has successfully hosted the Asian Games. All descendants of the Yan and Huang emperors living overseas are very proud of this.

Vice Chairman Liao said in his speech: Over the past year, China has enjoyed political, economic, and social stability. Additional remarkable achievements have been made in improving the economic environment, rectifying the economic order, and deepening the reform, and our economy as a whole has shown the trend of developing in a desirable direction. He said: "We will continue to keep to the reform and open policy, overcome difficulties, and strive for new achievements in our socialist construction."

Touching on the great cause of reunification of the motherland, he said: Despite the numerous obstacles and difficulties on the road to the motherland's reunification, this historical tide accords with the will of the people and the general trend of events and cannot be obstructed by any force or any people. Vice Chairman Liao expressed the belief that with the joint efforts of the broad masses of compatriots at home and abroad, including Overseas Chinese, the objective of reunifying the motherland and rejuvenating China is sure to be achieved.

Vice Chairman Liao hoped that Overseas Chinese and friends would strengthen their unity and cooperation and make unremitting efforts to develop Sino-Filipino friendship and to promote the construction cause of the Philippines.

### **Philippines' Aquino Decorates Departing Envoy**

OW2510121190 Beijing XINHUA in English  
1200 GMT 25 Oct 90

[Text] Manila, October 25 (XINHUA)—Philippine President Corazon Aquino today met outgoing Chinese Ambassador to the Philippines Wang Yingfan at the presidential palace.

At the meeting, President Aquino lauded Ambassador Wang's unswerving efforts in developing the friendship and relations of cooperation between China and the Philippines during his two years and more stay here in the country.

To honor his contribution to the Philippine-Chinese friendship, Mrs. Aquino awarded the "Order of Sikatuna" to Ambassador Wang, which is the highest honor given to foreign nationals.

**Singapore President Ends Visit, Departs Shenzhen**

OW2410195590 Beijing XINHUA in English  
1453 GMT 24 Oct 90

[Text] Shenzhen, October 24 (XINHUA)—Singaporean Prime Minister Lee Kuan Yew and his party left here for home via Hong Kong this afternoon after their nine-day official good-will visit to China.

This is Lee's third visit to Shenzhen. He said to the city mayor that after two years' interval he found that a great progress had been made in the city and its achievements in the economic construction after it set up the special economic zone were also "remarkable."

**Chen Muhua Meets Thai Women Legislators**

OW2610123190 Beijing XINHUA in English  
1208 GMT 26 Oct 90

[Text] Beijing, October 26 (XINHUA)—Vice-Chairman Chen Muhua of the National People's Congress Standing Committee conversed on Sino-Thai ties with a group of Thai women parliamentarians here this afternoon.

Chen is also president of the All-China Women's Federation.

The visitors, led by Khumying Nongyao Chaiseri [name as received], member of the upper house, arrived here on Tuesday and are scheduled to tour Xian, Kunming and Guangzhou during the 10-day visit.

**Thai Foreign Minister Plans To Visit Beijing**

OW2610093090 Beijing XINHUA in English  
0846 GMT 26 Oct 90

[Text] Bangkok, October 26 (XINHUA)—Thai Foreign Minister Subin Pinkhayan is due to visit China on November 3-5, a source of Thai Foreign Ministry confirmed here today.

During the visit, Subin is expected to discuss the Cambodian problem and bilateral trade with his Chinese counterpart Qian Qichen and other Chinese leaders.

Then, Subin will accompany Crown Prince Wachiralongkon and Prime Minister Chatchai Chunhawan to Japanese Emperor Akihito's enthronement in Tokyo on November 8-14, where he will meet his Japanese counterpart Taro Nakayama, according to a report of the THAI NEWS AGENCY today.

On November 18-19, Subin will visit Laos to meet his Lao counterpart Phoun Sipaseut.

The purpose of the visits is to promote bilateral relations and discuss political and trade issues, the agency noted.

**Ambassador Calls on Indonesian Foreign Minister**

OW2510164590 Beijing XINHUA in English  
1555 GMT 25 Oct 90

[Text] Singapore, October 25 (XINHUA)—Qian Yongnian, the ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of Indonesia, called on Indonesian Foreign Minister Ali Alatas in Jakarta today.

A Chinese Embassy official telephoned XINHUA that during the meeting, Alatas welcomed Qian to be assigned as Chinese ambassador to Indonesia. He said that the Indonesian Government would offer the Chinese ambassador and Chinese Embassy ample support and cooperation.

Alatas said the Sino-Indonesian ties have a good beginning after the resumption of diplomatic relations between the two countries.

He believed that as with Chinese Premier Li Peng's visit to Indonesia in August, the forthcoming visit to China by Indonesian President Suharto will be also successful.

Qian said he will do his best to promote the friendly and cooperative ties between China and Indonesia, in accordance with the two governments' agreements, and on the basis of the five principles of peaceful coexistence and the 10 principles of Bandung Conference.

He said the Chinese Government leaders highly value the visit to China by President Suharto.

President Suharto will be warmly welcomed by the Chinese Government and people, and his visit will be successful, he said.

The Chinese ambassador arrived in Jakarta on October 23. On October 24, he delivered a duplicate copy of credentials to the protocol department of the Indonesian Foreign Ministry.

**Qiao Shi Meets, Briefs Australian Delegation**

OW2510134990 Beijing XINHUA in English  
1225 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—Qiao Shi, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from Australia's National Party, led by its deputy leader Bruce Lloyd here today.

Lloyd said his current visit aims at promoting the two countries' relations, economic and trade relations in particular, according to Chinese sources.

Qiao briefed the visitors on China's economic construction and exchanged views with them on issues of common interest.

Both sides hold that the two countries' economic cooperation enjoys good prospects.



The delegation arrived here on October 21 at the invitation of the Association for International Understanding of China.

#### **Zou Jiahua Meets Pacific Forum Delegation**

*OW2610131590 Beijing XINHUA in English  
1257 GMT 26 Oct 90*

[Text] Beijing, October 26 (XINHUA)—Chinese State Councilor Zou Jiahua met here today with a delegation from the Pacific Forum.

Zou and the visitors exchanged views on the economic reform and development in China.

The visitors are here as guests of the China Industrial Economics Society.

#### **Symposium on Southeast Asia Ends in Guangxi**

*OW2610120390 Beijing XINHUA in English  
0825 GMT 26 Oct 90*

[Text] Nanning, October 26 (XINHUA)—A four-day international symposium on southwest China's opening to the outside world and its relations with Southeast Asian countries closed yesterday in Guilin City, in the Guangxi Zhuang Autonomous Region.

More than 50 experts and scholars from China, France, Laos, Malaysia, Vietnam and Hong Kong attended the symposium to discuss the burgeoning economic contacts between southwest China and Southeast Asian countries, and promoting common development and prosperity.

China's southwest area includes Sichuan, Yunnan and Guizhou Provinces and the Guangxi Zhuang and Tibet Autonomous Regions. It covers more than two million sq km and has a population of 200 million. It is rich in natural resources and is an important region for agriculture, light industry, the heavy and chemical industries, and energy production.

Southeast Asia, with ten countries and 300 million people, has a comparable economic level.

The participants at the symposium suggested the building of an "Asian continental bridge" between the Beibu Gulf and the Bay of Bengal in order to promote economic contacts between the two sides. Such a bridge would contribute to peace and development in the region and the world as a whole, they held.

### **Sub-Saharan Africa**

#### **Malian Envoy Hosts 30th Anniversary Reception**

*OW2510141690 Beijing XINHUA in English  
1258 GMT 25 Oct 90*

[Text] Beijing, October 25 (XINHUA)—Malian Ambassador to China Nakounte Diakite held a reception at the

embassy here this evening to mark the 30th anniversary of the establishment of diplomatic relations between Mali and China.

Diakite said over the past three decades, the Malian and Chinese Governments and people have been proud of the friendship and cooperation between the two countries.

He said that Mali will continue its efforts in strengthening the friendship between the two countries.

Chinese Vice-Minister of Foreign Affairs Yang Fuchang said that the two countries' friendship has stood the test of time and China is confident in the further development of the bilateral relations between the two countries.

Wang Hanbin, vice-chairman of the Standing Committee of China's National People's Congress, Cao Dezhan, minister of forestry and other Chinese officials attended the reception.

### **West Europe**

#### **Taxation Agreement Signed With Cyprus**

*OW2510103190 Beijing XINHUA in English  
0818 GMT 25 Oct 90*

[Text] Beijing, October 25 (XINHUA)—An agreement was signed here today between the Chinese and Cypriot Governments on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital.

Chinese State Councillor and Minister of Finance Wang Bingqian and visiting Cypriot Minister of Finance George Syrimis signed the document and had a friendly meeting.

#### **Li Peng Meets French Banker, Hopeful on Ties**

*OW2510125090 Beijing XINHUA in English  
1204 GMT 25 Oct 90*

[Text] Beijing, October 25 (XINHUA)—Chinese Premier Li Peng said here today that he was optimistic about the prospects of Sino-French economic cooperation as "the dark clouds over the two countries' relations are gradually dispersing."

China and France have already had good cooperation in power industry and other fields, Li said at an hour-long meeting with Jean-Yves Haberer, chairman of Credit Lyonnais at Zhongnanhai.

The premier praised the French bank for having actively conducted economic and financial cooperation with China over the years.

Li said that the drastic changes in China's economy over the past decade show that China's reform and open policy is successful.

The economic readjustment has also achieved marked success and all signs show that China's economy is changing for the better, he said.

He said that China is now working out a ten-year economic development program, under which investments will go mainly to agriculture, energy, transport and infrastructures.

Haberer said that he was glad to see China's economy on the rise again. This has reinforced his confidence in continuing his bank's cooperation with China.

As a faithful partner his bank will do its best to participate in China's economic construction, he said. The bank will grant preferential loans to aid China's major economic sectors.

Li Guixian, Chinese state councilor and governor of the People's Bank of China, met with Haberer earlier today. The French banker and his party arrived here yesterday.

#### France To Resume Official Financial Links

OW2610080890 Beijing XINHUA in English  
0641 GMT 26 Oct 90

[Text] Paris, October 25 (XINHUA)—The French Government is to resume the talks on official loans with China, Economic and Finance Minister Pierre Bérégovoy announced today.

He said that the decision made by the European Economic Community (EEC) on October 22 to lift its sanctions against China makes it possible for France to "resume talks on those frozen programs", referring to Sino-French talks on official loans frozen since the incident in June, 1989.

During this period, France has never stopped its commercial loans to China.

According to French experts, a protocol on an official loan of 1.5 to 2 billion French francs (about 380 to 500 million U.S. dollars) will be signed in the coming months.

They estimated that sanctions had reduced French exports to China by 25 percent, but imports from there had remained stable.

#### Controversy on Germany's Economic Trends Noted

OW2510130990 Beijing XINHUA Domestic Service  
in Chinese 1042 GMT 23 Oct 90

["Roundup" by XINHUA reporter Zhang Baoqing (1728 1405 7230): "On Confrontation Over Germany's Economic Trends"]

[Text] Bonn, 22 Oct (XINHUA)—Recently, the talk here has been on Germany's economic development after unification. On 22 October, Germany's five authoritative economic institutes presented to the government a report written by experts on Germany's economic trends

in 1990 and 1991. The report has escalated this talk into a debate between the German Government and the public.

The key point of this report is that Germany's economic situation in the forthcoming winter and spring will be grim and that its economic prospects for 1990 and 1991 are not rosy.

The concrete manifestations are:

1. Because of Democratic Germany's participation, Germany's economic growth this year will slow down markedly, declining from an estimated four percent to 2.5 percent. The situation in 1991 will be even worse, with the growth rate expected to plummet to somewhere around 1.5 percent.

2. Because changes in the economic structure in the former Democratic Germany are too fast and rigid, productive enterprises are finding it difficult to adapt themselves to the rapid changes. A large number of enterprises will go bankrupt, and, as a result, unemployment in Germany will rise. It is estimated that at the end of this year, some 2.8 million workers in Germany will be unemployed. In 1991, this figure may increase dramatically to 3.4 million. If the number of unemployed were to include the semi-unemployed, the number of people in Germany with no steady work rises to 5.2 million.

3. As a result of these economic developments, the inflation rate in Germany in 1990 and 1991 will increase from an estimated 2.5 percent to four percent. In addition, the rate of increase in workers' wages will drop from this year's eight percent to five percent in 1991. These figures indicate the extent to which the average German's living standard will be affected.

This report by the five major economic institutes hit like a "bomb," and has had severe repercussions in all German circles.

The German Government, which has thought highly of experts' reports in the past, has now adopted a negative attitude. In a joint statement on 22 November, Economics Minister Haussmann and Finance Minister Waigel criticized the analysis of the five major economic institutes on Germany's economic prospects as being overly pessimistic and not conforming to reality. The two ministers pointed out: At the end of 1991, money invested in former Democratic Germany by the government alone will reach 60 billion Deutsche marks [DM]. If the positive economic trend in former West Germany is taken into account, the economic growth rate in Germany as a whole in 1991 will reach at least 2.5 to three percent. And, thanks to the strong DM, the inflation rate is expected to be three percent at most.

The Social Democratic Party, Germany's principal opposition party, has stated: This economic analysis confirms this party's view on Germany's economic situation, particularly on the drastically worsening economic

situation in the former Democratic Germany. We call on the government to adopt effective measures in the fields of environmental protection and communications, as well as in transport and other infrastructural spheres to create new jobs and thus reduce unemployment.

The German Federation of Trade Unions has said: The government should not continuously embellish the economic situation. It is insensible and irresponsible to do so. The government should make every effort to make essential and constructive investments in the five newly established states of former Democratic Germany to avoid a complete economic collapse there.

Germany's economic and financial circles have responded to the report differently. The German Federation of Savings Agencies has said: Though the former Democratic Germany will affect the prosperity of Germany as a whole, the conclusion reached by the experts is too conservative, taking into account the trends in the development of the entire economy. The German Federation of Industries has pointed out: The prospects for Germany's economy are not yet clear. We need to study it again.

### East Europe

#### **Xu Xin Attends Romanian Army Day Reception**

OW2410082490 Beijing XINHUA in English  
0755 GMT 24 Oct 90

[Text] Beijing, October 24 (XINHUA)—The Romanian Embassy in Beijing held a reception here today to celebrate Romania's army's day.

General Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army (PLA), attended the reception.

#### **Joint Pharmaceutical Venture With Yugoslavia**

OW2610095190 Beijing XINHUA in English  
0710 GMT 26 Oct 90

[Text] Belgrade, October 25 (XINHUA)—The contract founding "Harbel Company Ltd.", the first Sino-Yugoslav joint venture, was signed here in the Yugoslav capital today.

Harbel Company Limited is a joint venture between China's Harbin No. 3 Pharmaceutical Factory and Yugoslavia's Galenika Pharmaceutical Factory located in Belgrade. Each drug making factory made a 50 percent contribution to form Harbel.

The joint venture will mainly produce natural tonics that are a part of traditional Chinese medicine. These products will be sold not only in Yugoslavia, but also in other markets around Europe.

Velimir Brankovic, general manager of the Galenika Pharmaceutical Factory, said at the signing ceremony that the foundation of the Harbel Company is a "good beginning" for the cooperation between the two factories.

This cooperation, he said, has "vast vistas". Traditional Chinese medicine may realize its market potential in Europe through Yugoslavia, he added.

Galenika is one of the biggest pharmaceutical factories in Yugoslavia. A total staff of 6,000 workers produce more than 1,200 types of medicine. The factory is now discussing with China about the prospects of cooperating to manufacture insulin.



**Political & Social****Five-Year-Old Play 'WM' Criticized Anew****Arguments Previewed**

*HK2410051490 Hong Kong MING PAO in Chinese  
24 Oct 90 p 6*

["Special Dispatch": "Chinese Writers' Association Organ Criticizes Liberalization Viewpoints by Once Again Bringing Up 'Controversial' Play of Five Years Ago"]

[Text] WENYI BAO, the Chinese Writers' Association organ, recently used an entire page to publish a long article recalling the controversy over the play "WM" (We) which created a commotion in mainland literature and art circles five years ago. Without naming names, it criticized former Central Committee General Secretary Zhao Ziyang and others for engaging in "political conspiracy". The article also charged that some intellectuals in mainland literature and arts circle continue to adhere to the liberalization viewpoint and refused to make amends.

The play "WM" triggered off great arguments on the mainland in 1985. Its author, famous Beijing playwright Wang Peigong, is still in jail because of his involvement in last year's student movement.

WENYI BAO on 13 October reprinted a 17,000-character article entitled "The Story Behind the 'WM'(We) Controversy" which is to appear in WENYI LILUN YU PIPING No. 6 this year. The article, however, never once revealed the name of its author.

The article stated: "The 'WM' controversy is a show of force organized by some people in literature and art circles given the climate of rampant bourgeois liberalization thought." It also pointed out: "The 'WM' controversy was totally manmade... the manufacturers did not engage in academics but rather in politics."

The article also seized on the occasion to make the following assertion: "The indulgent attitude adopted by certain party leaders at that time toward the trend of bourgeois liberalization thought and some other erroneous ideas had further emboldened them."

In the end, the article said: "Five years have passed and some people who were once sympathetic or approved of the play have now changed their views and have begun to reflect on this incident with a cool head... However, there are still people who hold their previous views and still others who are deviating farther away from the path of Marxist views on history and world outlook and from the path of the four cardinal principles because they 'remain blinded and ignorant of the way back'."

"WM" (We) is a 1985 work by Wang Peigong which describes the tortuous course traversed by seven young persons of different backgrounds who see their dreams shattered and rebuilt again. Because the drama troupe's

party committee found the play's content to be decadent and portions of the dialogue "politically wrong", a report was made to the superior level. The head of the drama troupe was accused of "insubordination" and removed from his post. The higher level party committee also ordered that rehearsals and performances of "WM" be stopped.

Later, RENMIN RIBAO published an article criticizing the incident. The China Society on Theatre Literature then decided to organize social forces for a public performance of "WM". Rehearsals for the play began simultaneously in Beijing and Shanghai, stirring up great interest in "WM" for a while.

The play formally opened in Beijing on 20 October 1985 and two extra performances should have been given after it closed on 8 November. However, it was ultimately rejected by the authorities and forced to cease performances.

**WENYI BAO Article**

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[Article by Yi Ming (1355 2494): "The Whole Story of the Incident Regarding the Play 'WM (We)"]

[Text] Five years ago, the play "WM (We)" caused a disturbance in our country.

Soon the disturbance became the focus of attention both at home and abroad. Many friends in the literature and art circles, however, have only learned something about the incident from scattered or prejudicial hearsay and do not know the whole story. To enable more people to know the truth of the matter, we would like to make a review of the whole story of that incident in this article.

**I.**

The year 1985 was an unforgettable one for the literature and art circles.

Around New Year's Day, the Fourth National Congress of the Chinese Writers association was held in Beijing. Prior to this, a preparatory meeting for the congress decided that two things should not be mentioned at the congress. These were "not to mention opposing spiritual pollution and not to mention bourgeois liberalization."

The main subject for that congress was "freedom of creation."

It is understandable that many writers and artists were showing great interest in the question of freedom of creation. Since the late 1950's, due to the influence of the "leftist" guiding ideology, class struggle in the ideological sphere had been gradually emphasized and exaggerated to an unsuitable degree. Some writers and artists, and some literature and art works, had been treated unfairly. During the abnormal period of the "great Cultural Revolution," Lin Biao and the "gang of four"

took advantage of the power they had usurped, and made literature and art an important position for their anti-party activities. They had frenziedly destroyed all literature and art works that did not suit their needs, and made all writers and artists who were reluctant to serve them suffer. Out of fear, the vast numbers of people in literature and art circles could not but keep quiet and remain silent as cicadas in cold weather. The whole party and the people of the whole country should always remember these historical lessons.

Does freedom of creation mean everything, however, to the literature and art circles?

As early as 1979, in his "congratulatory speech" at the Fourth National Congress of Literature and Art Workers, Comrade Deng Xiaoping pointed out: "The most fundamental criterion for judging whether our work is right or wrong is whether it is good or harmful to the four modernizations." He said: "Literature and art creation must fully express the fine quality of our people and the great victory of the people in revolution and construction as well as in their struggle against all enemies and all kinds of difficulties." "Our literature and art must make greater efforts to achieve greater successes in depicting and training socialist new people."

When expounding the party's leadership over literature and art in his "congratulatory speech," Comrade Deng Xiaoping pointed out: "As literature and art is a complicated mental labor, it needs the literature and art workers to give play to their personal creativity. As to the problem of what to write and how to write, it can only be resolved step by step by the literature and art workers through their own practice and explorations. In this respect, there should not be any flagrant interference."

In his "congratulatory speech," Comrade Deng Xiaoping made an overall and correct exposition on the policies, principles, and tasks of our socialist literature and art, pointing out a road for the prosperous development of our literature and art undertakings in the new period. However, some comrades in the literature and art circles have one-sidedly severed the spirit of the "congratulatory speech." In their understanding, there are only six Chinese characters meaning "no flagrant interference" in the whole speech.

While the Fourth National Congress of the Chinese Writers association was in session, many comrades emphasized the close and inseparable relations between freedom of creation and the sense of responsibility of the literature and art workers toward society and between literature and art on one side, and the people and social life on the other. But there were also some people who were regarding "freedom of creation" as an excuse for abandoning the socialist orientation of literature and art. Some even put forth the theory of "'freedom of creation' without prerequisite and 'freedom of creation' without restrictions."

The result of the congress was: The fundamental orientation that literature and art should serve the people and

serve socialism was abandoned by some people and the ideological trend of bourgeois liberalization further spread in the literature and art circles.

Let us have a look at the reaction of a play writer after the congress:

"Spring for China's literature and art has really come !

"No other people but the hard-working peasants are the most sensitive to the flavor of spring. Before the cuckoo urges people to make preparations for plowing and sowing, they have already taken up their farm tools and applied fertilizer to the fields, ready to sow the seeds.

"Spring has come, the rivers have unfrozen and the snow on the vast land has melted...

"People who have been in dormancy throughout the winter due to the thick ice and heavy snow are going out of their houses one after another. They are rushing to the open field to move about freely, and to breathe and sing to their hearts' content!"

What this playwright was "busy" "sowing" at that time was none other than the play "WM (We)."

## II.

In June and July 1985, rumors were spreading in Beijing's literature and art circles.

It was said that a drama troupe, the one the above-mentioned playwright was working with, had rehearsed a "very good" play, but as the leaders did not like it, it was "killed" with only one word, and the head of the drama troupe was also dismissed. When some people in the cultural circles talked about this, they looked rather agitated and indignant.

Was it true that a "piece of good work" was banned merely according to the likes and dislikes of certain leaders?

Let us first hear what the playwright said about the creation of the play "WM (We)":

"This play was created for the 'international year of youth.' Originally, I accepted the 'task' of writing a play about the advanced deeds of Zheng Yue, an outstanding student of a certain Air Force school. Having interviewed the student, I wrote a reportage, which was awarded after publication. Then I wrote a play about it. The director and other comrades who had read the play all said that it was well written but was still a bit rigid and formalistic. Moreover, it lacked some special features of a play and was not succinct in wording. I thought what they said was quite right. With their help, I reconsidered it again and again and listened to the opinions of many young friends. Then it came to my mind that I should write about a group of people rather than only one person. I should write about their life, roads, and real happiness, and sufferings. I wanted to make a change and write a play on retrospection. This idea was then

supported by the leading comrade of the drama troupe... Thus, we decided to make a 'youth play' and try to have it performed."

Therefore, under the personal guidance of, and being revised by the head of the drama troupe, the play "WM (We)" was first rehearsed in March 1985.

Some articles introducing the play said:

"The play depicts groups of young people, who were struggling and fighting bitterly for their subsistence, friendship, love, and ideals, and were resisting and seeking something in that 'mighty torrent of the great calamity' under the heavy and repeated tortures on the tortuous road of life. It reflects the value, strength, and hopes of the younger generation."

"By depicting the tortuous experiences of the seven young people, who had different family backgrounds, different characters, and different things to pursue, and analyzing their innermost world, the play reflects how a group of young people were pursuing and considering the road of life, and how they were fighting to reestablish ideals when their original ideals were shattered."

How did the play "WM (We)" reflect "the value, strength, and hopes of the younger generation" and "how they were fighting to reestablish ideals"?

If one has read the play or watched the performance, one can easily find out that the people depicted by the play are entirely different from Zhen Yue, whom the playwright originally wanted to write about. The "great leap" of the playwright's train of thought was really unfathomable. We can only marvel at that.

To make our readers, who have not yet read the play or watched the performance, understand its general ideas, we would like to offer a synopsis of the play.

As for the origin of the title of the play—"WM (We)," according to the playwright, these two letters are the initials of the word "Wuomen" [meaning "we" in Chinese], and they also represent two persons, one standing upright and the other upside down, symbolizing the reversion of human nature and its return to normal.

The whole play is divided into four chapters, namely, Winter, Spring, Summer, and Autumn. There are seven characters in the play, all of them are young people, of different origins and different dispositions. They are linked together for they are all members of a "collective household." In the first chapter, "Winter (1976)," the seven young people curl up with cold and hunger in their "common house." Having eaten a chicken that "General" stole from the production team leader's house, they begin to sing the "Song of the Communist Children's Corps": "We Are Bound To Be the Future Masters." Then they begin to discuss the theme—"What Is Man." "Handcart," who is from a worker's family, says: "Man's life consists of three meals, a good sleep, and two Liang of white spirit." "Hatoyama," the son of a "capitalist-roader," sighs and says: "Man is a tiny particle of dust."

The "Little Poor Girl," the granddaughter of a capitalist, says: Man "is a poor small cobblestone." "General" adds: "We are merely bricks which may be used to build the Great Wall or a henhouse. It all depends on what they want us to become." Then all the people shout in a sarcastic tone: "If you feel your life tough, think about the 25,000-li Long March. If you feel your work is very tiring, recall the life in the vicious, old society." Then the village is completely destroyed by an earthquake. The seven young people survive and then comes the spring.

In the second chapter "Spring (1978)," all the young people are preparing for the matriculation examination, but only "Sister" is admitted to a college. "Big Head," the son of a former "city revolutionary committee standing committee member," is not admitted because of his father's case. "Hatoyama" is allowed to return to the city since his father has resumed his former post. His girlfriend, the "Little Poor Girl," severs her relations with him as lover—she "has no trust in the social environment in which she is living" because of her family background. Cherishing the dream of becoming a real general, "General" enlists in the armed forces. "Princess," who is quite annoyed about his decision, tells him that if he leaves her, she will turn to another man.

The winter, which stands for the 10-year catastrophe, is undoubtedly desolate. It destroys all beautiful things and good sentiment. Soon after the smashing of the "Gang of Four," in the early spring when the drive to set wrong things to right had just begun, people who were regaining some hope could still feel a chill. The playwright and director's treatment of the first half of the play, though a little indiscreet, is still reasonable and consistent with the historical and social reality.

Then how did the playwright and director treat the social reality after the Third Plenary Session of the 11th CPC Central Committee and how did they represent the Chinese youth of this historical period?

In the third chapter "Summer (1981)," "General" finds no way to fulfil his dream. "Hatoyama" changes his jobs as frequently as changing clothes. "Big Head," who is working as a boiler operator, says: "You spoilt boys have exhausted all the limited 'freedom' and 'democracy' ever available in China." To find a patron and to weave a web of relations, "Handcart" leaves "Princess" and marries the daughter of a bureau director. He shamelessly pledges to seek higher social standing. "Big Head" has become an utterly worthless person. Getting drunk and often fighting, he is dismissed from his post and held in custody. "Princess" is leading a senseless life, wasting her talent. "Sister," who is in college, feels that life is "quite meaningless." "There is nothing exciting in life!" she says. Having been hurt in a love affair, she tries to commit suicide by drowning herself but is saved by "General."

Summer is a season full of vitality when every living thing blooms on the earth. In this chapter of the play



"WM (We)," however, we do not see any attempt by young people to "rebuild their ideals" but repeated frustrations, dirty deals, pessimism, despair, and self-surrender before defeat.

In the fourth chapter "Autumn (1984)," "Handcart" becomes a deputy section head who is assigned to publicize the "five stresses and four beautifuls." "Big Head" becomes a millionaire and the manager of a private enterprise. All the members of the "collective household" happen to meet together and once again they discuss the topic "what man is." The "Little Poor Girl" says: "Man is a poor and small piece of cobblestone." "Sister" says: Man is merely a "small potato." "Hatoyama" explains: Small potato means "a little piece of tudou" in Chinese. "General" is about to lose his sight, thus his dream of becoming a general will never come true. "Sister" falls in love with "General" because she "needs a place to store her affections."

To conclude the play, the young people again sing the "Song of the Communist Children's Corps." Shouting the slogan "No Spitting," they join the ranks of Young Pioneers cleaning the streets.

In the autumn, the season of harvest, what does "WM (We)" show us? Except for "General," everyone seems to have gained something, but also seem to have gained nothing. When they reunite and take up the topic "what man is" again, they find that their conclusion remains the same as that they drew from their discussion in that common house during a very cold day eight years ago. The playwright and director probably want to tell the audience that another winter is coming after the summer and autumn, and whatever season it is, life is equally cruel to man.

"General" is no doubt a positive character that the playwright and director want to show to the audience, but this is the most empty and least convincing character in the play. The only thing supporting him is merely a groundless dream of becoming a general. Although the author, after all, has given up his original principle of "portraying neutral characters rather than heroes," and has linked "General" with some heroic deeds and proud words, it seems that he has failed to prop up this character.

The play contains quite a few remarks mocking various social phenomena these days, such as the drive of "five stresses and four beautifuls," the street cleaning campaign, and so on. Through the play the author expressed in a sarcastic manner his grievances against the reality of life and some policies of the party. Some shows are deliberately rendered in a mean form, for example, an actor raises up his buttock to fart on the stage, newspapers bearing Chairman Mao's portraits are used as sanitary napkins. What must be pointed out is that whenever the "Song of the Communist Children's Corps" is sung in the play, the words—"We Are Bound to Be the Future Masters..."—always carry some sarcastic implication. Does this mean the author really

wants to "rebuild the ideal," or does he have an ulterior motive in treating the song in such a manner?

It is undeniable that the play "WM (We)" has incorporated some innovations in the techniques of direction and interpretation. The symbolic stage environment, the postures borrowed from traditional operas and pantomime, the sound effect that actors produce with their mouths by imitation, and the female drummer and the male musician who appear on the stage during intervals to explain the play, all these have rarely or never been seen in the past. Because of the playwright and director's basically wrong understanding of the spirit of the times and their inappropriate representation of the mentality and behavior of contemporary youths, however, this play was bound to be a failure. It is really a pity.

Bypassing the discussion within the party committee of the theatrical company, "WM (We)" was quickly rehearsed section by section, while the playwright was still writing the play and the director still reviewing it. The first dress rehearsal of the whole play was held on 9 June. Having watched the rehearsal, most members of the party committee of the theatrical company felt that the content of this play was dispiriting, gloomy, and boring. They noted that this play is in poor taste and contains a lot of vulgar things despite its originality in the form of presentation. The play has only described the loss of ideals on the part of the youths but failed to show any revival and reconstruction of ideals. In addition, some actor's lines are politically erroneous. Several party committee members suggested that a party committee meeting be held to discuss the case. Nevertheless this suggestion was turned down by the director who was in charge of the theatrical company at that time. So those party committee members reported the case and aired their opinions to their superior on 11 June.

On the evening of 13 June, several responsible comrades of the theatrical company's superior organ watched a dress rehearsal of "WM (We)." They made the following remark: "As far as the rehearsal is concerned, our own people should first be invited to watch it before people from other circles are invited. That is to say, we should let the comrades of our own system watch the rehearsal first, and their opinions should be solicited for reference in the revision of the play. We must use caution when inviting people of other circles to watch the rehearsal, and must not rashly present it to the general audience. This is a disciplinary instruction." Having learned of the superior's opinion, the theatrical company director was very unhappy. He said: "It is a theatrical company's legitimate right to invite people of theatrical circles to watch rehearsals. If this is not allowed, I will refuse to rehearse the play." In view of the fact that invitation had been extended to some people of theatrical circles, and some critics of art and literature in Beijing, the superior approved the two scheduled dress rehearsals to be held on 14 and 15 June.

On 18 June, the superior organ made a decision: "Effective immediately, only people of our own system should

be invited to watch the rehearsal, and people from other units shall not be invited." The theatrical company director accepted this decision. When the dress rehearsal began, however, half of the seats at the rehearsal theater were occupied by guests from other units. The theatrical company director gave the following explanation: "You said it should be an internal rehearsal, did you not? All people except the class enemy are considered to be within our ranks, and all these comrades invited here are members of our ranks. You can well feel at ease watching the rehearsal here and nobody will shoot a bullet at you...." A responsible comrade from the superior organ immediately criticized him for what he had done. But the theatrical company director lost his temper at once: "You are merely a vice minister, are you not? I can just act this way, because you could not fire me, could you?"

In view of his disobedience to the organization and contempt of discipline, the party committee at the higher level dismissed the theatrical company director through organizational procedures on 19 June. In the meantime, a decision was adopted to suspend the rehearsal of "WM (We)."

The superior organ of the theatrical company later reiterated the principle of safeguarding the freedom of creation and protecting artists' initiative in creation. The comrades of the theatrical company were required to conscientiously study the guideline laid down by the central authorities, launch a discussion on the play "WM (We)," and do their best to improve the play.

The playwright and director of "WM (We)", however, only despised this instruction. They did not try to find a way to improve the play but made every effort to seek support from some people of other circles.

### III.

During a meeting of responsible persons of several literature and art journals in 1980, several people made an appeal: "People within the literature and art circles should support one another;" "if the sun does not rise in the east, then another sun should rise in the west."

The "WM (We)" incident which took place four years later was a large-scale experiment in response to that "appeal."

On 27 July 1985, RENMIN RIBAO carried a signed article by Yifeng entitled "Stop the Practice of Determining the Fate of a Work by a Single Individual's Judgment." The article said:

"Like the 'Left' ideology which will not readily retreat from the historical stage, the practice of arbitrarily interfering in literary and art creation will not automatically vanish. Recently, cases of imposing a ban on some plays by administrative orders based on 'the superior's arbitrary judgment' have occurred from time to time in some departments and units. Those banned plays are apparently fine ones displaying much originality, but the authorities who banned them declared plausibly: 'Why

do our theatrical companies not have the right to give up a single play?'... This case seems strange but actually is not. It just shows that the way of thinking and the style of leadership pursued by some comrades are so outmoded that they fail to keep up with the times.

At the mention of the "play displaying much originality," the author of that article was referring to the play "WM (We)."

Can a responsible person of a theatrical company or a director, with the power vested in him, decide all on his own to put on any play that he is fond of, disregarding its possible social effects? Should our party committees, governments, and competent departments at all levels be indifferent to the performance of a play that would produce very bad social effects? Is this what the real "freedom of creation" means? Obviously the answer is no. It is the legitimate right and duty of our leading organs at all levels to see that their subordinate literature and art organizations hold to the correct guideline for literature and art, and turn out some works that will produce good social effects.

From the above briefing one can easily see that the authorities concerned did use caution in handling the play "WM (We)" and they made the decision only after consulting with various sectors (including the former theatrical company director who directed the play). Can this be equated with the "practice of determining the fate of a work by a single individual's judgment"?

That article by Yifeng marked the beginning of the "WM (We)" incident, and all the supporters showed up after that.

In August 1985, the China Operatic Literature Society decided to arrange for a performance of the play "WM (We)."

A general manager of the China Operatic Literature Society who was the general coordinator of the performance of the play made the following confession about the incident:

"An article of the constitution of the China Operatic Literature Society provides: 'Arrangements shall be made so that a controversial play of some artistic value can be performed.' The three general managers of the society met in August to discuss their work. The meeting planned to have 'WM (We)' performed as a controversial play for study and discussion. Tasks were shared among the three general managers, and I was appointed coordinator."

As soon as the decision was made, the China Operatic Literature Society began to cast the play. Fourteen actors were recruited from different theatrical companies in Beijing, and the former director of that theatrical company was again appointed director for the play. The rehearsal was started in early September. A fund provided by the China Welfare Fund for Handicapped that

had originally been earmarked for the production of a television play, was diverted to finance the rehearsal.

At about the same time, a certain opera house in Shanghai also decided to put on "WM (We)" in Shanghai. That opera house also wanted to invite that former theatrical company director to direct the play in Shanghai. Since he was occupied, the opera house had to consider a second choice. Finally the original assistant director for the premiere of "WM (We)" was invited to Shanghai to direct the play, but in the name of an actor to play in a television film.

So the same play was simultaneously rehearsed in Beijing and Shanghai. It was a "real spectacular event."

Although the rehearsal of the play was carried out in full swing, it was not possible to have it shown immediately. Now it was the "mass media"'s turn to put on their show.

In its August issue, the monthly JUBEN published its reporter's interview with the playwright of "WM (We)" and to which they appended their notes.

The notes read: "The play aroused the concern of the whole society. But what was more intriguing was: The related dress rehearsal was banned by the authority concerned while it was being held. Why was it banned? As opinions varied, no unanimous conclusion could be reached."

Clearly they were interested in "the dress rehearsal being banned" rather than the play itself.

The playwright claimed in the interview that he had tried to describe "intermediate figures" instead of "heroes." When talking about the opinions criticizing the contents of the play, he said: "These opinions are greatly different from our thinking and objectives in concept. We cannot help it." "Before becoming convinced, I will not make any self-criticism!"

The two "mini play reviews" published in the same issue sang the same tune as the article "Stop the Practice of Deciding One's Fate in a Word," bitterly criticizing the leadership concerned. The two articles were in fact political commentaries instead of "play reviews."

In September, JUBEN published as it had announced in the "interview" in the last issue, the full text of "WM (We)" in its literary acting version, with editor's notes added. In the same issue three articles applauding the play and a roundup of spectators' opinions were published. Other newspapers also published articles in praise of the play.

We should mention one thing here: When the monthly "JUBEN" announced in the "interview" that it would publish "WM (We)" in the next issue, a culture department which was superior to the system to which the playwright belonged, wrote a letter to the editorial board of "JUBEN," modestly and amiably saying:

"From the 'interview' you published in your August issue, we have learned that you will publish Comrade XXX's play 'WM (We)' in September. As we are investigating the problems with the dress rehearsal of the play and are trying to solve them in an appropriate way, we suggest that you postpone publishing the play."

JUBEN refused the request bluntly: "Sorry. Manuscripts have been sent to the press. It is impossible to replace any article."

In the September-October period, a total of 100 articles on the play were published in a dozen of newspapers in Beijing and Shanghai. Most of them heaped praises on the play and its author and director. "WM (We)" was greatly honored.

Following are passages taken from newspapers at that time:

"The 'WM' directed by XX has left current European playwrights so far behind that they will find it difficult to catch up."

"It has scaled a difficult height in art."

"The play's original techniques of expression were designed to give expression to its contents and its heroes. It is a new creation based on all artistic achievements in modern or ancient times, in China or elsewhere, rather than a fantasia ignoring the tradition. It did not create something new and original in order to be different."

"The most important achievement of the 'WM' literary version lies in its understanding of, rather than showing sympathy toward young people of the current generation who have survived all kinds of hardships."

"The play has created an artistic form of expression for new stage plays particular to China."

"This is a genuine modern drama!"

"In his complete plot, the director, based on the new forms of expression found on stages at home and abroad, created a stage effect and image which is novel, rich, strong, and more conforms with modern young people's aesthetic standards."

"It vividly reproduces the ideological process of the current generation of young people who have their ideals dashed and established them again."

"'WM' is a poetic play, which has developed its praise for modern young people into a poet."

"The play is a milestone in Chinese theatrical history."

"It is this play that ranks the director among great artists."

"A new chapter of the stage play!"

The criticism raised by a few people was drowned out by above cheers.



Did the overwhelming appreciation mean that the public almost unanimously agreed that "WM (We)" was a good play?"

But various newspapers stressed in one voice that it is a play of fierce controversy.

Why was a controversial play enthusiastically applauded by many people? Was it not absurd?

This had a great deal to do with what our "press" were interested in.

They asked those people whom they were interested in to contribute articles, took trouble to have interviews with them, or even publish the opinions of the same persons on seven or eight occasions.

They did not refuse to publish conflicting views, but they published them in a small corner. Some newspapers even quoted their views out of context to show their views were "simple" and "stupid." Could this be regarded as "letting different opinions contend"?

—If "WM" and its playwright and director had not been criticized and banned by their superior, would our press have acclaimed them so energetically?

It should be realized that many articles affirmed "WM (We)" for its attempt to create a new theatrical form of expression and many opinions did stand to reason. But the press and critics were clearly not interested in this. As was often the case in China over the last few years, some people were bound to come out into the open to defend those artistic works which had been criticized. They declined to comment even on the works' shortcomings or on errors that were apparent. Accordingly it was a fashionable honor for authors to have come under fire. The more severe the criticism and the more powerful "backing" the criticism enjoyed, the more proud the relevant authors felt. Sometimes an author only encountered criticism from ordinary people, but he would behave as if he had been rapped. Then some people around would regard him as a hero and extol him to the skies. And even some critics with a high social status chose to chime in acting beneath their dignity. It needs only a little thinking for one to realize whether or not such "benevolence" would really help develop our literature and art.

Let us for the time being leave alone those who worked hard on "WM" and recollect more important events which took place in China in September 1985.

In the very month, the CPC called a national congress. Comrades Deng Xiaoping, Chen Yun, and Li Xiannian gave speeches at the meeting. The three leaders unanimously stressed that while carrying out the policy of reform and opening, it is necessary to strengthen ideological and political work, and continue to conduct education on ideals, discipline, communism, and patriotism.

Comrade Deng Xiaoping pointed out: "Comrades working in the fields of culture, education, and public health should regard social effects as their only standard for their work and the enterprises under them should do likewise. Comrades working in the ideological and cultural fields should produce more intellectual products and resolutely check the production, import, and spread of bad ones. Giving publicity to bourgeois liberalism amounts to giving publicity to capitalism. We must resolutely reject it."

Did various leading roles of the incident—responsible cadres of the China Drama and Literature Society, a responsible member of a certain theatre in Shanghai, and a responsible member of the JUBEN—take note of Comrade Deng Xiaoping's speech and the spirit of the congress?

Whether they were too busy to pay heed to other things—the dress rehearsal of "WM (We)" was drawing to an end, and they were about to act the play in public, or that they had their own standard and tried to achieve the social effects in their minds. All this can only be answered by themselves.

The work of acting "WM" proceeded smoothly, and the people concerned pressed forward with indomitable will and got everything ready.

In October, "WM (We)" was performed in Beijing and Shanghai in succession.

Shanghai led the way. In late September, they placed an advertisement in Shanghai newspapers, regarding the play as a gift for the "36th anniversary of the PRC's founding." In the period from late September to mid-October, WEN HUI BAO, JIEFANG RIBAO, XINMIN WANBAO, SHANGHAI QINGNIAN BAO carried over 20 articles singing the praises of "WM (We)" and its playwright and director, and reports on interviews with people concerned. The papers were profuse in praise of the authorities who approved the performance. A "WM (We)" craze prevailed.

When questioned why they acted "WM" in public, a responsible member of a certain theater in Shanghai said: "We have a higher demand on plays selected, that is, they have to have new concepts and artistic contents and forms. 'WM' complies with the line for modern dramas laid down by our theatre." He was loud in praise of "WM" and claimed: "The play has positive significance in ideological content"; "the play's director and executive director made a united effort to create new means of expression, new stage language, and a brand new 'poetic play'." He said: "Only a play in poetic form can be rated as a first-class one."

Since "WM" was "positive" in terms of ideological content, its "artistic achievements were eye-catching," and concerned the theater's "orientation" of "serving socialism and the people" and its "international reputation," it would have been unforgivable not to give it the go-ahead.

In Beijing, the relevant dress rehearsal was finished and the date for giving a performance in public was fixed.

On 11, 13, and 14 October, the central group responsible for theatrical affairs showed the play to a limited number of people including delegates to the "National Seminar on Stage Play Theory," responsible members of the Beijing Stage Play Theater and Beijing Modern Drama Troupe, and reporters from various newspapers and other literature-and-art newspapers and magazines.

After the 14 October performance, the person responsible for the performance held a press conference. The director, in tears, called on the press to "uphold justice."

On 14 October, the Beijing Culture Bureau told the China Drama and Literature Society: According to relevant regulations, those organizations, who are not professional artistic troupes, are not allowed to organize performances until they have gone through necessary procedures and obtained a "provisional license." The next day, the China Drama and Literature sent a person, who took with him an application form with the official seal of the society and written instruction "performance approved" by a newly-appointed party secretary of the Drama Association, to collect a provisional license for performance. The secretary was the one sponsoring the performance of "WM".

From 13 to 24 October, the China Drama and Literature Society put an advertisement in the BEIJING RIBAO and BEIJING WANBAO with respect to the performance of "WM." A passage of the advertisement ran as follows:

"An explorative play which has attracted criticism before it is shown; an experimental performance trying to make an artistic breakthrough; a drama depicting the struggle of modern young people who have their ideals dashed and have rebuilt them, and their search for, and thought about a new way of life."

Those sentences, which were deliberately mystifying attracted many spectators and received attention from the overseas press.

A responsible member of the propaganda department under the Beijing Municipal CPC Committee told the BEIJING RIBAO after he had watched the modern drama: "I am unable to make head nor tail of the statements in the advertisement. Since the drama was allowed to be shown to a limited number of people, what is the purpose of the advertisement? If they want to put in an advertisement again, those sentences must be deleted. If the unit concern does not agree, our newspapers will not carry the advertisement." The propaganda department took such a firm stand that the unit responsible for the performance was compelled to delete "those sentences."

In the application form submitted by the China Drama and Literature Society, they stated that with the approval of the leaderships of various artistic troupes, the actors

and actresses acted in the play in their own capacity." But the following clearly appeared in the advertisement and the synopses distributed in the theater: "Producers: The China Youth Artistic Theater, Beijing People's Artistic Theater, China Children Artistic Theater, All-China Trade Unions Federation Art and Drama Troupes, China Coal Mine Art and Drama Troupes, and Chinese People's Liberation Army General Political Department Art Troupe." In fact, these units had made it clear they would not sign their names, and the actors and actresses taking part in the performance did so without the approval of the units they belonged to. And the Chinese People's Liberation Army General Political Department Art Troupe had been disbanded long ago. Such a practise of usurping other units' names is undesirable.

"WM" was acted in public in Beijing as of 20 October. After the play was performed for several days in the auditorium of the National Cultural Palace and in the People's Theater, a show had been planned in the Haidian Theater, around which are located many universities and colleges. It happened when the students had begun to calm down following a turmoil. After listening to reports on the campus situation, the person responsible for the show realized that the sentiments displayed in the play might possibly coincide with extreme views spreading among some college students, resulting in unexpected results. Consequently, the final round of performances were given in the 7 February Theater.

According to the original plan stated by the China Drama and Literature Society in the application form submitted to the Beijing Culture Bureau, the performance would end on 8 November. But they decided to put on another two performances on the 9th and 11th without the approval by the Beijing Culture Bureau and the company arranging for the performance. They made the decision and sold out a number of tickets before they sent in their application. When their application was rejected by the department concerned, they put a notice in the 9 November BEIJING RIBAO telling their audience that the performance was called off and asking them to get a refund for their tickets. They themselves were to blame for the consequences, but they complained that the authority concerned did not appreciate their "aspirations," "angered the audience," and left "an unfavorable impression."

#### IV.

After they told the public the performance was cancelled in the newspaper, rumors and suppositions of every description spread like wildfire.

Some foreign reporters stationed in Beijing were very sensitive. They followed up every incident in China that was worth doing so. They were interested in those "sentences" in the performance advertisement. In their view, the fact that a play whose dress rehearsal was banned was shown in public later owing to the effort of the China Drama Society certainly gave expression to

the strife within China's literature and art circles, and dropped a hint of the struggle between "liberals" and "conservatives" within CPC. They hoped to detect the CPC's political movements after the national party congress.

As a result, from the day the play was shown, the director, playwright, actors and actresses, and related personnel were frequently tracked down. Foreign reporters raised a series of questions to personnel concerned backstage, or politely invited the latter to lunch over the phone.

The suspension of the showing of "WM" caused greater interest among foreign reporters. They interviewed, on the phone, the performance department of Beijing Bureau of Culture: "Why is 'WM' not put on stage?" and "Have you put some pressure on or forced it to come off stage?"

Though the way this interview was conducted was not very mannerly, the person in charge of the performance department nevertheless gave the reporters a patient explanation: "The suspension of the showing of 'WM' should not be taken as a ban. The Chinese Society of Theatrical Literature is not an entertainment performance unit. 'WM' is for temporary showing and long-term public showing of it for commercial purposes is not allowed. What the Municipal Bureau of Culture has done is in compliance with the Beijing Municipal Government's regulations governing theatrical performances. It is reasonable and lawful."

They also interviewed the show manager of "WM" on the phone. Here is an Associated Press dispatch from Beijing dated 13 November: "The producer (Author's note: It should be 'show manager') of this play, Mr. So-And-So, said when interviewed on the phone on Wednesday (13 November), that the Beijing authorities ordered a suspension of the showing of this play. He said: 'This is not a temporary suspension.' He also said that the Propaganda Department and Bureau of Culture of the Beijing Municipal CPC Committee are probably against the content of this play."

On the morning of 15 November, the show manager formally received an interview by foreign journalists in the conference room of the Chinese Dramatists' Association.

Facing 15 reporters, this show manager first gave a self-introduction, making known that he himself was not only general secretary of the Chinese Society of Theatrical Literature but also, concurrently, secretary of the Chinese Dramatists' Association secretariat. Then he started explaining the objectives of the Chinese Society of Theatrical Literature and the artistic features of the play "WM".

But the reporters had no interest at all in artistic issues. What they wanted to know was some other things:

"Why has the showing of this play been canceled, and who gave the order?"

"What is your opinion about this abrupt suspension? Has your theater felt any pressure from the military?"

"What is your comment on the military's objection to putting on this play?"

"Can you verify the dismissal of the director and playwright for producing this play?"

"Is there anybody who takes this play personally?"

"As the theater is controlled by Beijing municipal authorities, does it mean that the Communists in Beijing Municipality are against this play?"

"There are many powerful people in China who think that art and literary works should plainly serve the socialist cause. We also know that there was once an anti-pollution campaign. Why do you think that those people can no longer interfere with this play as they could before? Is it because of the congratulatory speech at the Fourth Congress of Artists and Writers? Why are you confident that no one is in a position to interfere with the showing of this play?"

This show manager fended off the reporters' battery of questions with "I do not know" or "No idea." On the one hand, he told them that the Army, the CPC Central Committee Propaganda Department, and the Ministry of Culture had not ordered the suspension. On the other, he refused to clarify the fact that he had decided to increase the number of showings without authorization from the competent department. He himself is a dramatist, conversant with the secret of "unspoken words." And his elusive answers invited further "interest" from the reporters present.

We are unable to pinpoint how each reporter felt when leaving the conference room of the Chinese Dramatists' Association. Let us have a look at the reports they produced after the interview.

"China is stepping up control over literature and art."

"A new-wave play in Beijing is suspended."

"The play 'WM' caused a big stir," and "this disturbance associated with 'WM' is a clear indication of the conflict between the enlightened figures in the literary and art circles and the ideological conservatives in power in mainland China. It also exposes the crisis in plays on the mainland, which is a result of the persistent occupation of the literary and art front by those with an ossified way of thinking."

It does not seem to be an overstatement to say that this "group interview" provided material for some press organizations in foreign countries and in Hong Kong and Taiwan to make a fuss of.

This way, the "'WM' disturbance" was brought by some people from internal society and then spread from the



mainland to overseas and to the whole world. Why, then, were the "overseas press" and "international press" so enthusiastic in making a great to-do about this play?

V.

There was an accompaniment to the "WM" disturbance.

In August 1985, the same month as the Chinese Society of Theatrical Literature decided to organize a team to give a public showing of "WM", some personages in the theatrical circles received copies of "A Tentative Preparatory Plan of the Chinese Society of Theatrical Literature for 'China Youth Festival of Theatrical Art' (for Trial Implementation)". The objective and the prize-awarding regulation described in this "Tentative Plan" are a real eye-opener, and it can well be called a brilliant article full of whims and fantasies.

The "Tentative Plan" reads: "The new theatrical art and the new generation of theatrical audience will form a new wave in theatrical history. Seizing the opportunity of this new wave, the Chinese Society of Theatrical Literature has decided to organize a 'China Youth Festival of Theatrical Art'." This activity "will gradually evolve into a bustling period of international theatrical exchanges among young people on the subject of pan-Chinese culture."

Only God knows whether it will really become a "bustling period" of "pan-Chinese culture." But this "tentative plan" itself made a fuss that was "strong and powerful enough" [allusion to a laundry detergent commercial]. Take its "prize-awarding regulation" for example. It reads:

- "Strong Typhoon" award for best play: 10,000 yuan;
- "Wave" award for best script: 5,000 yuan;
- "Devil" award for best directing: 3,000 yuan;
- "Spray" award for best acting (six): 1,000 yuan each;
- "Vast Sandy Beach" award for stage design: 1,000 yuan;
- "Sunrise" award for unsuccessful exploration: 1,000 yuan;
- "Maple Leaf" award for aged dramatist keen on the theatrical

art of the young: 1,000 yuan;

- "Deer-Turns-Around-Its-Head" award for artist who makes up

his/her failure in former days: 5,000 yuan.

Our "tentative planners" failed to make clear what sort of "strong typhoon" they would like to blow, what sort of "wave" they would like to follow, what sort of "spray" they would like to create, and what the "devil" they would like to let out looks like. Neither did they say where the "sunrise" would happen and which direction the deer would "turn around its head" to. Nevertheless, as we find "WM" impressively listed in the "first batch of recommended plays" of the "tentative plan", couldn't

we readers get a rough idea of what is "tentatively attempted at" in this tentative plan?

VI.

At the National Conference of Party Delegates, Comrade Deng Xiaoping said: "Undoubtedly, we are still holding on to the 'Double-Hundred' policy, to the various forms of freedom protected by the Constitution and law, to the principle that persuasion and education are the major means to correct wrong ideological tendencies. We should not carry out any campaign or "mass criticism". It is necessary to enforce party discipline against those members who stick to mistakes and refuse to mend their way. But it is not allowed to make any 'Leftist' mistake of simplification and magnification again."

When "WM" was being made a sensation, what the competent party, government, and military departments at various levels did was in line with the spirit of Comrade Deng Xiaoping's speech.

Some comrades in the theatrical company to which the playwright and director of "WM" belong wrote to party and state leaders, sharply criticizing what this play conveyed and what the Chinese Society of Theatrical Literature, a certain theater in Shanghai, and some press organizations did. They said: "WM" is a play with an unhealthy content. Public showing of such a play runs counter to the spirit of the party's instruction on literary and art work. At a time when the national conference of party delegates has just closed, when the party central committee is taking practical measures to conduct education on ideals and discipline for the party, the Army, and the nation, and when emphasis is placed on "paying equal attention to the two civilizations," some comrades in the literary and art circles insensibly brought this play to society and made a big fuss of it. If this evil wind is let to spread further, it will harm the building of socialist spiritual civilization. They earnestly requested the party central committee to pay attention to this problem.

Right after the last showing of "WM" in Erqi Theater finished on 8 November, some comrades commented: This play makes one feel that not only the period of "Cultural Revolution" (winter) is hopeless, but in the spring, summer, and autumn after the "Cultural Revolution," life is also chaotic and hopeless, and negative phenomena are seen everywhere. This play gives the audience no positive inspiration of any kind. The tendency it shows as a piece of literary work is a cynical reflection of life. It pokes fun at the "five stresses and four points of beauty" and mocks reality as a whole. To put on such a play in Beijing is nothing to be proud of.

Shortly after the rehearsal of "WM" was suspended in June 1985, a high-ranking official reiterated at a major meeting the "four no's policy (no sticking labels, no cudgeling, no capitalizing on vulnerable points, and no putting on file)" aimed at protecting freedom of creation. At the same time, he also pointed out: A discussion on the play "WM" should be started, and the topic for discussion, he suggested, was the following two

questions: (1) Are the creation and showing of this play in line with the spirit of the instruction from the central leading comrades, and (2) what inspiration does this play give? A few months later, another leading comrade requested the theatrical company to revise the script according to the spirit of the central conference of party delegates.

In the years following the "WM" disturbance, rumors were heard from time to time that certain artists had been persecuted in this incident. But the truth is: None of those involved in "WM", including the playwright, director, show manager, actors, persons in charge of the theatrical company, persons in charge of press organizations concerned, article writers, editors, and reporters, was given a disciplinary punishment. No one was dismissed or transferred because of this incident except the director who was discharged from his chairmanship of the theatrical company due to his disobedience to the organization and breach of discipline. Where is that "persecution" claimed to exist by those people?

Suspending the rehearsal of "WM" was originally but an internal affair of the company. If the playwright and director had adopted a correct attitude, listened to opinions from various quarters, and revised and polished the script conscientiously with a responsible attitude as a party artist, we have to say that it could have become a good piece of work. But from the very beginning, the playwright and director started to stubbornly reject all opinions that they called "different in understanding"; when they were criticized, they went to some sympathizers in the literary and art circles for support; after the leading department made its decision on how to handle this case, they did their best to make a big fuss of the situation and put pressure on the higher authorities with "social force." This wrong attitude and practice did no good at all to artistic creation and are not to be adopted by party artists.

The "WM" disturbance was totally man-made. Though the creators of the disturbance declared time and again that their sole purpose of publishing and showing "WM" was to start an academic discussion, they showed an obvious utilitarian tendency of flattering "WM" and its playwright and director when they were canvassing and publishing commentaries and holding an "academic symposium." As we have looked back at what some press organizations did at that time, let us now have a look at what happened during the "academic symposium" held by the Chinese Society of Theatrical Literature in early November 1985. Almost none of those who were critical of "WM" or regarded by the producing crew as "aliens" were invited to the symposium. This determined that only acclamation would be heard at the symposium. Some said: "This play should become a textbook for party consolidation." Some said: "After watching the play, I have to reconsider the position of my 10-year party membership and party consolidation." Some said: "The young people today are feeling cold at heart while the sun is shining on them." There were also some people who said: "It is mind-freeing and innovative to display

wind-breaking and women changing their sanitary pads on the stage," and "why can we not have a pee on the stage?" One or two comrades expressed a few different opinions at the symposium which were "refuted" one by one the next day. How much "academic" flavor and value did this "academic symposium" carry? What the creators of this disturbance aimed at was not academic discussion but raising a clamor that put pressure on relevant leaders through the showing, "commenting" and "discussion" of "WM". To achieve this purpose, they banished from their mind the principle of justice in academic discussion, the scientific attitude of seeking truth from facts, the sense of social responsibility as writers and artists, and the highest norm of giving prior consideration to social effect and benefit, and the etiquette required of journalists. Facts have shown that what the creators of the "WM" disturbance were engaged in was not academics but politics, only that it was not proletarian politics. The notions of "diluting politics" and "detaching from politics" that they kept on mentioning were simply a subterfuge to hoodwink the public. The tolerant attitude of the competent party, government, and military departments was to them a sign of weakness that could be taken advantage of, so they pressed forward steadily and reached out for an ell after taking an inch. The indulging attitude of some leaders toward the ideological trend of bourgeois liberalization and some other erroneous ideas at that time made them more daring as they knew that they had strong backing.

So far as its nature is concerned, the "WM" disturbance was a show of force organized by some people in the literary and art circles under the climate wherein the ideological trend of bourgeois liberalization was spreading.

They wanted to display their strength through this show of force and press the party to make more concessions in the ideological domain so as to obtain "freedom of creation without any precondition or determiner."

No one can safely say that they failed completely to reach their goal.

It is a shame that a short spring night does not accommodate a long spring dream.

Five years have passed. In the past five years, many more things have happened in the literary circles in China. Centering around the direction, principle, and policy of literature and art, around the issue of freedom of creation, and around the comments on some literary and artistic works, concepts and arguments, various ideologies went into waves of strength trials and struggles.

Five years have passed. Some of those who held a sympathetic or appreciative attitude toward "WM" have changed their mind and started to reflect upon this incident cool-headedly, and to look at this piece of work with an objective attitude. But there are still some people who are sticking to their original opinions. An extremely small number of people are going farther and farther

along the road which deviates from the Marxist conception of history and world outlook and the four cardinal principles. They are "dead drunk, not knowing the way home." Five years have passed and the "'WM' disturbance" is now history. But it has not completely subsided. It has left us a long string of questions that are worth careful pondering.

We may say that the education and struggle that we are currently carrying out in upholding the four cardinal principles and fighting bourgeois liberalization in a profound and persistent way in the ideological domain of literature and art, are a natural result of our careful consideration and analysis on the grave problems raised and exposed by the literary and art circles over the years, including those raised and exposed by the "'WM' disturbance." (This article is supplied by "WENYI LILUN YU PIPING [THEORY AND CRITICISM OF LITERATURE AND ART]" and will appear in its sixth issue this year.)

#### **Political Bureau Plans To Reshuffle Rumored**

HK2610073390 Hong Kong MING PAO in Chinese  
26 Oct 90 p 2

["China Newsletter" by Chu Yi (2612 5902): "New Political Bureau Standing Committee Lineup Reported"]

[Text] It is again the Chongyang Festival [Double Ninth Festival—on the ninth day of ninth lunar month]. The bustling Asian Games have just finished and the Seventh Plenary Session of the 13th CPC Central Committee, which it was said would be held very soon, has not yet been convened. Rumors about its postponement have been spreading repeatedly, saying that it has been postponed to November, to the end of the year, or even to next year. Why the postponement? It was said that the top leaders both on the stage and behind the scenes (referring to the Standing Committee members and the old politicians) have not yet reached a common understanding on some major issues.

The first issue is how to wind up the longstanding case of Zhao Ziyang; second, how to tide over the current economic difficulties; and third, how to make suitable personnel arrangements for the future top-level leaders on stage...

"It is the Chongyang Festival again while rumors are spreading throughout the city." On the eve of the festival, a fashionable rumor was: There will be a new lineup of Political Bureau Standing Committee members. Some people will be added to the Standing Committee (which has six members at present), including Zou Jiahua and Zhu Rongji. What surprises people is another name, Deng Liqun, and, likewise, is Li Ximing.

Deng Liqun has been nominated to replace Li Ruihuan. When Deng is up, Li will be down and he will offer his seat to Deng Liqun.

It has been said that, at present, Deng, who is too impatient to wait, has already taken over ideological work of which Li Ruihuan was in charge and replaced the latter to head the leading group for ideological affairs. Although he is not a member of the Secretariat, nor the Political Bureau, nor even a member of the Central Committee, he has still been put in such a high position.

Thus, something strange has happened: In Beijing, a national conference on the work of Young Pioneers was being held, while Li Ruihuan was away in Shaanxi carrying out antipornography work. WENHUA BAO [as published] excluded Li when carrying some quotations from central leaders and attacked him by innuendo in an editorial. He Jingzhi, acting cultural minister who should have been held responsible for this, however, is still as "firm" in his post as before and is even more active. He has frequently made speeches on many open occasions. On the contrary, Li Ruihuan has reduced his activities and restricted his actions or has even talked about other matters, such as eliminating pornography. People are apprehensive that he may also be swept away with the yellow leaves in fall.

Above He Jingzhi is Wang Renzhi, director of the CPC Central committee Propaganda Department. During the past few years, when the slogans of "eliminating spiritual pollution" and "opposing bourgeois liberalization" were not much sought after, this director really "showed tolerance" [the meaning of his name in Chinese] and kept silent. He was still able, however, to stay in his position. There is no need for him to keep quiet now and he has been busy making speeches and writing articles, looking like a real propaganda department director.

Under He Jingzhi is Xu Weicheng, who was promoted to the Propaganda Department from the Beijing Municipal CPC Committee and became permanent deputy director of the department after "4 June" last year. He has written fewer articles than before but has made more speeches.

Deng Liqun has also appeared on the stage on more and more occasions. To show off his meritorious performances he said: "I have done my bit in opposing bourgeois liberalization." He is also general adviser to the television series entitled "Course of the Century," a rival show to "River Elegy," and participated in its disgusting victory meeting. The television series was entirely incomparable with "River Elegy" and received almost no response from its audience, not to mention a warm response.

It has been said that Deng Liqun is the head, and Li Ximing the deputy head, of the leading group for ideological affairs. Li is, more or less, a member of the Political Bureau but Deng is only an ordinary member of the Central Advisory Commission. As this is not a normal phenomenon, it is necessary to normalize it and, therefore, he should become a member of the Political



Bureau Standing Committee. This, perhaps, can also be called "making the cadres ranks younger"—for Deng is already over 70!

Wang Meng has been replaced by He Jingzhi, who is older than him. Is it not another example of "making the cadres ranks younger"?

Around the time of the Chongyang Festival three years ago, Deng Liqun was unable to enter the Political Bureau and was even driven out of the Central Committee. How sad he was at that time! But during this Chongyang Festival, it is his turn to burst with joy. Let us just wait and see how he will clear up the messy situation left over from the "4 June" Incident.

### NPC Rejects Debate Over Diaoyu Islands

#### Request by Hong Kong Deputies

HK2610025990 Hong Kong SOUTH CHINA MORNING POST in English 26 Oct 90 p 10

[By Seth Faison in Beijing and Chris Yeung]

[Text] The National People's Congress, China's legislature, turned down a request by 14 Hong Kong-based deputies to consider the Diaoyu Islands dispute at yesterday's Standing Committee meeting.

And while reasserting China's sovereignty over the archipelago, a Foreign Ministry spokesman declined to say whether Beijing would lodge a protest with Tokyo or take other measures to reclaim the island chain.

An NPC spokesman said yesterday that the Standing Committee chairman, Mr Wan Li, had considered the request by the Hong Kong delegates, but had decided not to put it on the agenda. He did not say why.

However, Taiwan-born NPC member Mr Huang Shunxing, who was one of two deputies who wanted to sponsor a resolution condemning Japanese occupation of Diaoyu, walked out of the session.

Mr Huang quoted Mr Wan as saying that since the Foreign Ministry had already issued a statement on the subject, there was no need for the NPC to take action.

Three other Standing Committee members seconded Mr Wan's views and Mr Huang's motion was vetoed.

"We should have given a stronger response," Mr Huang said. "Apart from the Foreign Ministry, the NPC, as the highest authority in China, should also declare its stance. It will become more forceful.

"The State Council and the Defence Ministry should also take a stronger line in the face of Japan's military move."

One of the 14 local NPC deputies, Mr Ng Hong-mun, said he was not disappointed by the Standing Committee's decision.

"Discussion on the matter at a formal meeting is just the means but not the ends. They might consider it more appropriate for the Foreign Ministry to handle the issue," said Mr Ng, a school supervisor.

At a weekly press briefing, a spokesman for the Foreign Ministry, Ms Li Jinhua, re-stated China's position that it alone has sovereignty over the Diaoyu Islands, known as the Senkakus in Japan.

Ms Li said Beijing would take "necessary measures in line with the development of the situation".

But she declined to say whether Beijing would lodge a formal protest against the Japanese Government or whether the Chinese navy would be deployed in the area to protect Taiwanese fishing boats.

A Japanese official in Beijing said no formal complaints from China had been received, nor were any expected.

Ms Li repeated China's demand that Japan take necessary measures to stop the plan by right-wing groups to build a lighthouse on one of the islands.

"This incident was provoked by the Japanese side, and they should be held responsible," she said.

"We have always held that China and Japan should place their overall interests above everything else and handle the Diaoyu Islands issue prudently, thus preventing it from affecting bilateral relations."

She also expressed thanks to the Hong Kong and Taiwanese demonstrators for their concern over China's sovereignty.

"It is only natural that Chinese compatriots in Taiwan, Hong Kong and overseas express their concern over this issue in order to safeguard the sovereignty of China and we fully understand this," she said.

#### Taiwan Delegate 'Disappointed'

HK2610051390 Hong Kong MING PAO in Chinese 26 Oct 90 p 2

["Special Dispatch": "Standing Committee Member Huang Shunxing Walks Out of Meeting To Protest NPC Standing Committee's Decision Not To Discuss Diaoyu Incident"]

[Text] Two members of the Standing Committee of the Chinese National People's Congress [NPC] raised an impromptu motion during the 16th meeting of the Standing Committee yesterday, requesting that the meeting discuss the Japanese invasion of the Diaoyu Islands and to lodge a stern warning with Japan. This was in response to an appeal made earlier by 14 Hong Kong NPC deputies. The motion was rejected. Huang Shunxing, a Standing Committee member from Taiwan, who was a co-initiator of the motion, was disappointed at the outcome and walked out of the meeting to express regret and protest against the rejection.

Quizzed by a MING PAO reporter on this matter, a spokesman for the NPC Standing Committee yesterday confirmed that some Standing Committee members had proposed that the Diaoyu incident be discussed at the meeting but other members had objected to the motion. So both the Standing Committee chairman and vice chairmen and the NPC Standing Committee meetings decided not to add the Diaoyu case to the agenda.

The spokesman said it was mainly based on other considerations that the motion on Japanese invasion of Diaoyu was shelved during the current meeting but he did not elaborate further. He said the Standing Committee had still not received the open letter jointly signed by the 14 Hong Kong NPC deputies but he had learned of it from the Hong Kong press.

The 14 Hong Kong deputies had jointly signed a letter earlier and telegraphed it to the NPC Standing Committee, calling on the committee to discuss the Diaoyu incident during their meeting.

Wu Kangmin, one of the Hong Kong NPC deputies who had signed the joint letter, noted that perhaps it was out of consideration for the overall situation that the NPC Standing Committee had decided not to discuss the Japanese invasion of Diaoyu and that the NPC Standing Committee might think that the case could be settled through diplomatic channels rather than by voting in a meeting of this highest legislative institution. Wu was not disappointed at the outcome. After all, discussion of the case is merely a means and not the end, he added. Nevertheless, Huang Shunxing, the NPC Standing Committee member of Taiwan origin and one of the co-initiators of the motion, was of a different opinion.

Huang thought it is necessary to further express indignation; apart from representations through diplomatic channels, the case should also be discussed at a meeting of the highest legislative institution and a resolution should be adopted as a strong method of warning Japan. He also requested the State Council and the military to take effective action to counter Japan's invasion.

Being disappointed and regretting the Standing Committee's decision, Huang Shunxing walked out of the meeting in protest. He criticized the Chinese Government for its overcautiousness on the issue of territory and sovereignty.

Cheung Man-kwong, chairman of the Hong Kong Professional Teachers' Association, was also very disappointed at the NPC Standing Committee's refusal to add the Diaoyu issue to the agenda. He believed that this decision was very unreasonable. He said: The NPC Standing Committee, refusing even to discuss an issue of foreign invasion, has indeed "let the Chinese people down."

Cheung said the joint letter by the Hong Kong deputies fully reflects the Hong Kong people's will. As the spokesman for the NPC Standing Committee admitted

that he had already learned of the letter from newspapers, he should have taken the initiative in contacting Hong Kong deputies even if he had not yet received the letter—in fact, the NPC Standing Committee is duty bound to take the initiative in soliciting opinions from the people, he said.

Another NPC Standing Committee member made the same request yesterday as Huang Shunxing but NPC Standing Committee chairman, Wan Li, held that since the Foreign Ministry has already declared China's stance, the NPC need not discuss the issue any more. Wan Li's view was supported by three other committee members and the motion was finally rejected.

### NPC Views Tougher Penalties for Drug Producers

HK2610031890 Beijing CHINA DAILY in English  
26 Oct 90 p 1

[By staff reporter Chang Hong]

[Text] In a major attempt to stem the rise in drug-related offences, China's top legislature has begun deliberating a supplementary decree to the current Criminal Law which could bring the death penalty for drug traffickers.

Member of the NPC [National People's Congress] Standing Committee yesterday started their six-day session to consider the decree which details punishments for drug producers and traffickers.

The committee is also to discuss a document detailing penalties for producers and traders of pornographic materials.

The two documents served as supplements to, and revisions of, the nation's criminal law and regulations governing offences against public order, according to Guo Angran, vice-chairman of the NPC Legislative Affairs Committee.

Also on the agenda of the ongoing NPC meeting are a draft law for handicapped people, and a draft regulation on consular privileges and immunity.

According to the NPC decision on drug control, people found guilty of trafficking and producing no less than 1,500 grams of opium or no less than 100 grams of heroin would be jailed for life or sentenced to death.

The same penalties would apply to ringleaders of criminal gangs in the drug trade, those who shield drug smugglers by using arms, those who resort to violence to resist inspection, detention or arrest, and those who co-operate with international drug syndicates, the decree states.

Chinese police and customs authorities reported a rising number of drug trafficking cases last year, with a record seizure of 559 kilograms of heroin and 289 kilograms of opium.

According to the decree, people who illegally possess drugs can be given maximum sentences of seven years in jail depending on the amount of drugs involved.

The document includes provisions to jail people who grow drug plants for a maximum of 10 years, and also bans the smuggling of chemicals used to process narcotics.

Drug addicts must undergo compulsory treatment in government-run clinics, the decree says.

Figures from police and health authorities show there are 70,000 drug addicts in China.

Gu said his committee had taken the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances as reference during the drafting of the decree.

China is a signatory to the convention which was approved by the NPC Standing Committee last October.

Gu said the decree on pornographic materials would impose a maximum sentence of life imprisonment for those found guilty of smuggling, producing, publishing or selling for profit pornographic books, films, pictures, recordings or other materials.

People who use such materials to conduct criminal activities and encourage others to commit crimes could be subject to the death penalty, the decree says.

#### **Li Ruihuan's Speech on Antipornography Work**

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["Li Ruihuan's Speech at the National Conference on 'Antipornography' Work"—XINHUA headline]

[Text] Beijing, 24 Oct (XINHUA)—Speech by Li Ruihuan on the national conference on "antipornography" work (24 October 1990):

Comrades:

The current national conference on "antipornography" work is held according to the spirit of the Central Committee Political Bureau Standing Committee's instruction on continuing to carry out the "antipornography" campaign in depth. Comrade Li Zhongde has delivered a speech, and other participants of this meeting have also expressed their opinions. The meeting has achieved the purpose of summing up and exchanging work experience, analyzing the current situation, studying the existing problems, and arranging the work in the future. Now, I would like to talk about some issues in which you may have an interest.

First, we should fully affirm the achievements in "antipornography" work.

On the eve of the Fourth Plenary Session of the 13th CPC Central Committee, Comrade Xiaoping pointed

out emphatically and earnestly that "the new leading body elected by the fourth plenary session must concentrate on doing several things that can satisfy and gratify the people." At that time, the activities of producing and trading pornography ran rampant and produced widespread poisonous effects. The broad masses of people strongly demanded that resolute measures be taken to eliminate such evil phenomena. The party central leadership with Comrade Jiang Zemin as the core perceived the people's feelings and made a momentous decision in good time on carrying out the "antipornography" struggle in the whole country. The party central leadership and the State Council held a telephone conference on the "antipornography" mobilization and arrangements. A round of mighty struggle against pornography was thus unfolded rapidly in all parts of the country, and achieved marked results that were acknowledged by the general public. First, the campaign effectively checked the serious spread of the pernicious tide of pornography. In various localities, a certain quantity of pornographic publications and video products were confiscated and destroyed; a number of venues for producing and trading pornographic things were banned; a number of publishing institutions which violated discipline were disciplined; and a number of criminal offenders involved these activities were punished. Second, the management over the cultural market was strengthened. In many localities, the local authorities formulated and enforced relevant regulations, initially established the management institutions, and began to organize contingents of full-time and part-time cultural inspectors. Third, useful experience was accumulated. For example, efforts were concentrated on dealing with the problems in the localities and units where the activities of producing and distributing pornographic things developed to a serious degree, thus checking the sources of pornography; actions were taken both resolutely and prudently in light of established policies; all departments concerned were properly coordinated in action so that the "antipornography" campaign could be launched in all parts of society with great momentum; while action was taken against pornography, efforts were also made at the same time to promote the prosperity of literature and art. Such experience is of great guiding significance for our future "antipornography" work.

The gradual in-depth development of the "antipornography" struggle and its successes have produced positive societal effects. This struggle has promoted and strengthened ideological and political work. It not only put forward new requirements for ideological and political work, but also created favorable conditions for strengthening the work and made a breakthrough in changing the weak and lax condition in ideological and political work. "Antipornography" was also favorable to the struggle against bourgeois liberalization. The rampant spread of the pornographic tide was itself a result of the spread of the ideological trend of bourgeois liberalization, and also in turn aggravated the contagion of bourgeois liberalization. Eliminating pornography and opposing bourgeois liberalization were two aspects of the same thing, and



should be combined organically. The "antipornography" struggle deepened people's understanding of the harmfulness of the decadent bourgeois lifestyle, blocked the channels for the contagion of bourgeois liberalization, smashed the sinister activities of the hostile forces which tried to pursue peaceful evolution by means of pornography, gambling, and drug addiction among the people. "Antipornography" improved the social environment for the healthy growth of youngsters. The "antipornography" campaign swept away the cultural garbage which poisoned the minds of youngsters, helped youngsters gradually increase their ability to resist the corrosive influence of pornographic things, and also relieved the worries of many parents. "Antipornography" was useful to the maintenance of social stability. The "antipornography" campaign was closely linked to the campaign to wipe out the "six evils," and this dealt powerful blows at various criminal activities and played an important role in eliminating unstable factors and maintaining normal order in society. In short, "antipornography" was favorable to the development of spiritual civilization and favorable to the smooth advance of reform, opening up, and work in all fields. So it was noted and supported widely by all sectors of society. The broad masses of people were all glad to see this and regarded it as a good thing done by the Communist Party for the general public. As General Secretary Jiang Zemin recently said, "The campaign to eliminate pornography was greatly popular and afforded general satisfaction."

Second, we should firmly keep the mentality of being always on the alert and not relaxing vigilance at any time.

The "antipornography" struggle has indeed achieved great results and has made a good beginning. However, we must not rest content with the results that we have achieved, and must not relax our effort and vigilance in the slightest degree. In particular, leaders at various levels should always keep sober-headed, and face squarely and deal with the existing problems. At present, the development of the "antipornography" struggle is still uneven. In some localities, the work in this respect can hardly be described as effective, and only some perfunctory steps have been taken. Some "dead angles" have even not been touched yet. In some localities, the activities of producing and trading pornographic things reappeared recently. In some dark corners of some large cities, some people are still selling obscene books and pictures which have been banned, and some people are still showing pornographic films and video tapes. A small number of criminals often change their tactics, and there are some new forms and characteristics in the activities of producing and trading pornography. On the other hand, leaders in some localities and units have relaxed their effort and attention in this respect, failing to consistently and effectively deal with the existing problems. All such problems have brought about concern among the masses. Some people are worried about the prospects of the "antipornography" struggle, and they are afraid that the achievements may not be solidified,

that the struggle may become aborted half-way, and that the evil phenomena may reemerge.

Pornographic things are still stubbornly and repeatedly emerging and spreading in various forms, and the reasons for this are complicated. First, the "poisonous tide of pornography" existed for a long time in the past, so in a certain sense, it was deep-rooted and widely contagious. So our "antipornography" work cannot be accomplished in one single move. The greatest error in the last decade was the neglect of education and the attenuation of ideological and political work, as lopsided stress was laid on other aspects of our work. The poisonous tide of pornography thus spread in a rather wide scope for a rather long time. In some localities, the contagion of pornography developed to a disastrous degree. So it is unrealistic to think that pornography can be thoroughly eliminated through one or two campaigns. Second, the activities of producing and trading pornographic things are highly lucrative. When the commodity economy is developing, some people are prone to fix their eyes merely on money and even eagerly pursue ill-gotten money through producing and trading pornographic things. Some criminal offenders, being blinded by lust for gain, do not scruple to defy the laws and act in desperation. When the "antipornography" campaign is carried out on full scale, after observing the situation, they may seek new countermeasures in order to continue their criminal activities in a disguised way or may simply go into hiding. As soon as the wind blows over, they will resume their dirty business in an even more unscrupulous way. Third, it is hard to completely block the infiltration of pornographic things from abroad for a fairly long time to come. Opening up to the outside world is our basic national policy and an indispensable step for building socialism with Chinese characteristics and building up a powerful country. However, we should also soberly notice that under the open conditions, it is certain that some evil things, including pornographic things, will also make inroads into our country. Fourth, pornography was an evil social phenomenon existing for a long time in old society. It was powerfully attacked and effectively checked after New China was founded. However, in recent years, along with the development of the economy and the substantial improvement of the people's living conditions, some people who lacked moral integrity and elegant cultural taste tended to seek vulgar pleasure from enjoying pornographic things. To fundamentally solve the problem of the contagion of pornography, we must make great efforts to strengthen the construction of socialist spiritual civilization, continuously enhance people's cultural taste and moral integrity, and gradually narrow the market for pornographic things.

The above analysis shows that "antipornography" is a round of arduous struggle that will last for a fairly long time. We should make unremitting efforts in spite of the difficulties, and should always be on the alert. We should not be intoxicated with success, neither should we be perplexed by some complicated phenomena. Only thus

can we firmly grasp the initiative and effectively carry on the struggle. Our current meeting should certainly study the actual problems in "antipornography" work, but it is more important for us to firmly establish the mentality of being always on the alert. As long as we really keep this point in mind, it will be easier for us to solve other problems.

Third, we should make efforts to carry out the "antipornography" struggle in depth.

How should we carry out the "antipornography" struggle in depth through making persistent efforts? Comrade Liu Zhongde has put forward a number of concrete requirements in his speech, and it is hoped that all localities will seriously put them into practice. Here, I would like to stress several points.

Concentrated campaigns should be properly combined with regular routine management. Concentrated campaigns against the activities of producing and distribution of pornography can extensively mobilize the masses, discourage offenders, and effectively check the spread of "pornographic poison." On the other hand, regular routine management can consolidate the results of the concentrated campaigns and combine the stopgap measures with immediate results with the radical measures which effect permanent settlement of the problems. Experience in various localities shows that if the concentrated campaigns are carried out thoroughly, it will be easier and more effective to carry out regular routine management; and if importance is attached to regular routine management, the more obvious results will be achieved in concentrated campaigns. In view of the problems currently existing in the market for publications and audio-video products, the central authorities demanded that all localities carry out another "antipornography" campaign next winter and spring. The coming campaign should be focused on the "dead angles" which were not swept clean in the previous campaign. Blows should be dealt at the reappearing activities of producing and trading pornography; a number of criminal offenders who dare to defy the laws and the campaign should be rapidly and severely punished; and the market for illegal publications and audio-video products should be rectified in an all-around way. All localities should properly make their own arrangements according to the spirit of the central instruction and their local conditions. When launching the concentrated campaign, they should also further perfect the legal system, rationalize the management system, improve the management organs, and ensure the fulfillment of all tasks in regular routine management.

"Antipornography" should be closely linked with the elimination of the "six evils." The "pornographic poison" provides the hotbed for engendering the "six evils"; the existence of the "six evils" in turn aggravates the contagion of the "pornographic poison." Without eliminating pornography, it will be hard to thoroughly eliminate the "six evils"; without eliminating the "six evils," it will be hard to thoroughly ban pornography. In

many localities, the work of eliminating pornography has been linked with the work of eliminating the "six evils." For example, Guangdong's campaign to "eliminate pornography and the seven evils at the same time" (in Guangdong, there is one more evil, namely, the force of secret societies) and Fujian's campaign to "eliminate pornography and other ugly things" have achieved very good results. Other localities should learn from their experience. Practice has shown that "eliminating pornography" must be closely linked with "eliminating the six evils" under unified and effective leadership. Necessary replenishment and adjustment should be made in the division of work and jurisdiction and in the distribution of manpower among various departments concerned. The two sides should be organically integrated and coordinated in practical work so that they can promote each other.

"Antipornography" should be combined with ideological and political education. A major reason why the poisonous tide of pornography could spread to a serious degree in a previous period was that our ideological and political education was weakened; as a result, some unhealthy tendencies appeared in the aspects of life purpose, values, and aesthetic standards among some people. Therefore, we must strengthen ideals, moral, cultural, and discipline education, strengthen and improve ideological and moral education for young people and children, purify the activity places of youngsters, raise people's quality, especially raise the moral standards and aesthetic standards of youngsters, and guide them to establish a correct outlook on life. It is necessary to cultivate a good social atmosphere in which people feel honorable to resist pornography, feel ashamed to be addicted to pornography, and realize that trading pornography is a lawbreaking activity.

The work of the special contingent should be combined with the broad masses. The special contingent constitutes an indispensable backbone force in the work of eliminating pornography. Without this force, it would be hard to carry out "antipornography" work in many aspects. So this force should be greatly strengthened. The masses form the main force in the "antipornography" struggle. Without the active participation of the broad masses, it would not be possible to form a strong social force and the "antipornography" struggle would not win any major victory. At present, it is necessary to fully arouse the masses, make great efforts to further strengthen the social supervision networks, and encourage the people to come out boldly to fight against the criminal activities of producing and trading pornography. We should organize and combine these two forces, and spread a dragnet in all cities and rural areas against the pornography-mongers.

"Antipornography" should be combined with the efforts to promote the prosperity of literature and art and to enliven the cultural life of the masses. Practice shows that only through taking resolute action against pornography can we ensure the prosperity of literature and art, and only through promoting the prosperity of literature



and art can we consolidate the results of the "antipornography" struggle. If we do not use rich and healthy cultural products to occupy the cultural market, then it will be hard to sweep away the cultural garbage; and the garbage may still make inroads after being removed if there remain any loopholes. It is necessary to consistently adhere to the principle of "serving the people and serving socialism" and carry out the "double-hundred" policy, actively advocate the outstanding works which give publicity to the achievements in our socialist construction and reform, go all out to develop the cream of our national culture, and further enrich and enliven the cultural life of the masses. Popular works and performances with healthy content should be enthusiastically fostered; singing and dancing salons and other recreation places where the masses find entertainment should be correctly guided; and all kinds of healthy sparetime cultural and sports activities which are suited to young people and can satisfy their needs in seeking knowledge, pleasure, and aesthetic enjoyment should be supported. It is also necessary to carefully organize a rich variety of mass cultural activities, including festival culture, traditional culture, community culture, enterprise culture, campus culture, barrack culture, and family culture. Such festivals as New Year's Day and the Spring Festival are drawing near. Various localities should now begin to make preparations and create necessary conditions for organizing lively cultural and recreational activities in these festival periods in order that the masses will spend a happy and peaceful festival in a civil way.

Fourth, we should substantially strengthen leadership over "antipornography" work.

"Antipornography" work should be included as an important matter in the work schedules of the leading organs. Experience in many localities and departments shows that as long as leading comrades, especially the principal responsible comrades of the party committees, attach great importance to this work, strengthen leadership over it, and solve problems in a down-to-earth manner, then "antipornography" work will certainly achieve marked results and develop in depth. On the other hand, if the leading organs do not pay attention to this work and the principal leading comrades do not personally take up matters in this respect, then the "antipornography" work will be ineffective, superficial, and even resultless. You comrades may imagine: If we cannot effectively solve the issue of eliminating pornography as the general public ardently hopes and as the central leadership requires, how will the masses think, what impact will this have on the party and the government, and what difficulties will be caused to the party's work as a whole? In my view, only by approaching the "antipornography" work from such a high plane can we realize the special significance of the success or failure of "antipornography" work under the current situation, and realize that this is not merely the success or failure of a piece of ordinary work but a major test of our leaders' determination, courage, work ability, and efficiency. So we must succeed and can never fail in this regard, and we

must make thoroughgoing and unremitting effort until we win a complete victory and can never give up our effort halfway. You comrades attending this meeting should convey this point and the general spirit of the current national work conference to the principal responsible comrades of the party committees in various provinces, autonomous regions, and municipalities, because it is hoped that they will pay more attention to this matter.

"Antipornography" work must be tightly and effectively grasped. Not to grasp tightly is not to grasp at all. Party and government leaders at all levels should be well aware of the conditions of "antipornography" work in their localities, especially the current conditions of the activities of producing and distributing pornographic things, the existence of weak links and "dead angles," and the handling of major cases. All in all, they must really know how things stand. They should seriously study the new characteristics of "antipornography" work and find out the main channels and forms of the spread of "pornographic poison" in their own localities. They should help solve the concrete problems in "antipornography" work, further improve the institutions for managing the cultural markets, replenish the management force, increase the funds allocated to these institutions, and prevent the disbandment of such institutions with full-time personnel, and the stopping of the relevant allocations after the end of the concentrated campaign. Principal leaders themselves should personally sum up experience in "antipornography" work, analyze a number of typical cases, and promote the successful practice in good time. All this requires that leaders go deep to the forefront of "antipornography" work, and join grass-roots cadres and masses in making investigations and working out struggle tactics in order to effectively and thoroughly eliminate pornography.

It is necessary to act strictly according to established policies. Policies and tactics are the life of the party, and also provide an important guarantee for the healthy development of the "antipornography" struggle and its new successes. Here, several points must be stressed once again. First, it is necessary to draw a distinct line of demarcation between "pornography" and "non-pornography." Things which are not pornographic must not be taken as pornographic things and be destroyed; still less can we arbitrarily interfere in legitimate individual hobbies and aesthetic interests of the people. According to the experience of some provinces and municipalities, in the next stage of the "antipornography" struggle, the screening work must be strengthened. Some experienced comrades should be organized to do this in order to reduce haphazardness in this respect and to prevent some people from measuring things according to their individual likes and dislikes and dealing with things in a simplistic way. In the previous stage, various localities sealed up a certain quantity of publications and audio-video products which had not been definitely classified as pornographic. Now, these things should be screened and handled as quickly as possible. Second, the



policy of combining severe punishment with lenient treatment should be carried out continuously. Criminal offenders should be handled with discrimination according to the character, seriousness, and consequences of their crimes. Severe punishments should be mainly meted out to principal offenders, recidivists, and abettors. Those who defied the laws and continued the activities of producing and trading pornography in new and disguised forms after the "antipornography" campaign began must be severely and rapidly punished according to the laws. However, for people who could not withstand the temptation and became addicted to pornographic things, especially for the problem youngsters, we should mainly educate and redeem them. According to the needs in the struggle, we may select some typical cases for public handling, and both tough and lenient treatments should be adopted. This will bring the deterring power of the policy into better play, will disintegrate the evildoers, and will promote our work. Third, we should firmly oppose the practice of replacing imprisonment with fines. In the previous stage, some localities often replaced imprisonment with fines when punishing offenders, and this did not deal sufficient blows at the offenders. The masses were also strongly discontented with this. So leaders at all levels must pay close attention to this issue. Recently, we have successively formulated some laws and regulations on screening and handling pornographic things and on punishing pornography-mongers. These laws and regulations should be strictly enforced. People who are involved in the activities of smuggling, producing, selling, and distributing pornographic things are all criminal offenders, and should be punished by the judicial organs according to the law. They should not just be fined and then let off. At the same time, it is necessary to seriously study the new conditions and new problems in "antipornography" work in order to further improve and perfect laws and regulations in this respect.

All forces should be properly organized and coordinated. "Antipornography" is an across-the-board campaign related to all departments and units. They all bear responsibility, and should care about matters in this regard and give full support to this work. At present, all departments are shouldering heavy tasks and facing many difficulties in their respective fields, and they all have to do a great many things. They should be properly coordinated through the reasonable division of work among them. In connection with their own work and specific conditions, all departments and units should select the right positions and angles to play a role that cannot be replaced by other departments in the "antipornography" campaign. This will in turn promote and improve their own work. The public security departments, procuratorates, law courts, industrial and commercial administrative departments, tax departments, customs, and frontier inspection organs stand in the forefront of the "antipornography" struggle and perform the duties of fighting against pornography-mongers, eliminating pornographic things, searching and banning places for making and selling pornographic things, and

checking the import of pornographic things. The propaganda, educational, cultural, broadcast and television, and the press and publishing administrative departments not only need to conduct "antipornography" propaganda but also need to manage the cultural markets and provide richer and better cultural nutrition for the masses, and thus occupy the positions of the masses' cultural life. The trade unions, the youth league, the women's federations, and other mass organizations not only need to prompt the masses who they represent to consciously resist the corrosive influence of pornographic poison, but also should bring their respective advantages into play in mobilizing the social forces to participate in the "antipornography" struggle. In order to bring about such a situation, party committees at all levels should properly do organizing and coordinating work in connection with the preparations for the "antipornography" campaign next winter and spring so that the forces in all fields can be fully mobilized. Task and requirements should be explicitly assigned to each relevant department and organization so that all departments and units can closely cooperate through performing their own functions, and comprehensive measures can be taken and unified work networks can be shaped in the "antipornography" campaign. In such a situation, pornography will become a rat which runs across the street while everyone cries: "Kill it!"

Comrades, eliminating pornography is a just cause for the benefit of contemporary people as well as future generations. In the past year, comrades participating in the "antipornography" struggle worked hard in spite of the heavy work burdens and did a great deal of work. This was a major reason why the "antipornography" campaign achieved substantial results and the present good situation was brought about. The party and people are grateful to you, and your contributions will be recorded in history. Now, the central leadership has made a new arrangement for "antipornography" work. I believe that as long as leaders at all levels pay closer attention to this work and all comrades further boost up their morale, make concerted efforts, and exploit our previous successes, then we will certainly be able to continuously carry out the "antipornography" struggle to a more and more thorough extent.

#### Article Criticizes Dissident's Literature

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23 Oct 90 p 4

[Article by Zhao Chu (6392 0443): "A Sale of National and Personal Dignity"—originally carried by ZHONGLIU (MIDDLE STREAM) magazine, in the 10th edition]

[Text] I had not heard of Zhang Zuwei [1728 4371 1983]—whose "strange-taste, mule-style, and grotesque literature" once created a storm—since he staged a full-blooded show between last spring and summer, and then defected overseas, until several days ago when I leafed through a literary magazine—"The Writings and

Practice of Men of Letters"—and discovered that this "writer" had visited Taiwan this March. During his 16-day stay there, he published a large number of "valued commentaries" introducing us to the latest model of "democracy, freedom, and happiness at the highest level."

According to a 7 March LIEN HE PAO's [ASSOCIATED POST] report, Zhang Zuwei had a conversation with the captain of his plane while flying to Taiwan. The captain revealed during the talk that he earned close to 3,000 yuan a month. When Zhang heard that he became very agitated and concluded thereby that Taiwan people "all have confidence because of their wealth." Several days later, having seen a number of things, he felt that there was freedom of speech, and then summed up his impression: "There one can relax and be confident as a result of the freedom of speech and material well being." The following is the full text of Zhang's views:

"Now I feel what the captain felt about Taiwan's social background. A glance at the newspaper, and you will find all kinds of opinions, from those critical of President Li Teng-hui, to secret stories of Chiang Kai-shek and his sons, complete with the 'unification' and 'independence' factions—there is practically everything. If you switch on the television or radio, you will hear political figures piercingly and pungently attacking each other; fist fighting is not infrequent. Whether you are in a small town or a big city, the atmosphere is charged with a passion for political participation and discussion." Finally, needless to say, Taiwan was the model of wealth and democracy at their best.

Really, this is a case of "beauty is in the eye of the beholder". Under the pen of Mr Zhang, Taiwan has become more beautiful than Helen or Cleopatra. In the eyes of its mate even a bug has its charm.

I have never been to Taiwan and I have no understanding of Taiwan's "wealth and confidence." Overall it is probably true that Taiwan is relatively rich. Is it not one of the "four little dragons?" Would it be qualified for the title if it was not? It is doubtful if every Taiwan citizen is overflowing with money or as well-off as Zhang's captain. Earlier, a report in a Taiwan newspaper revealed that many veteran soldiers in Taiwan were homeless, and so poor that they made their homes in trees, leading a primitive life. When their limit of endurance was reached they banded together and protested. Here we see that not all are equally "rich."

As for the "confidence" of the "rich" people I am not sure if that is the case. Earlier, a Taiwan newspaper reported on the now highly "popular" "blackmailing firms" on the island, which terrorize rich people with blackmail, kidnapping, or threats over the telephone, which are very similar to the kidnapping in old Chinese society. A profusion of these "blackmailing firms" strikes terror in the heart of the big capitalist, who is on edge day and night, and who wears a bullet-proof vest on his way to work. A small negligence could cost him his

life or his whole fortune. Here we can see being "rich" and "confident" are two different things.

As for freedom of speech, in capitalist society it is taken for granted that people can attack each other in newspapers as much as they like. We even enjoyed this kind of "democracy" and "freedom" in Old China. I used to run a newspaper in areas under the rule of the Kuomintang [KMT], and I had the opportunity of watching two rival newspapers, respectively controlled by the rival CC faction and Huangbu faction, exposing the scandals in each other's camp. When it came to socialist and communist propaganda there was not a shred of "freedom." Not only that, depending on the case, people were either imprisoned or decapitated. The blood of Rou Shi, Hu Yepin, Li Gongpu, and Wen Yiduo is still fresh in our memory. Certainly Mr Zhang must have heard of all this. Has today's Taiwan experienced a qualitative difference so that now, public propaganda on socialism, communism, and even the assertion that "the PRC is the only legitimate government" has now become possible? I am afraid this is not possible. What crime did Zhang Xue-liang commit to have been imprisoned for half a century long? Hu Qiuyuan did not make one single statement, either praising the CPC or harming the KMT during his stay in Mainland China. He was threatened with "severe handling" and "investigation" when he returned to Taiwan. Whence comes so much "democracy" and "freedom?" "Unlimited propaganda" and "absolute and unconditional freedom" are only Zhang's illusions, and beautiful lace in his fantasy.

Possibly, on the spur of the moment, Zhang included "fist fighting" in the category of "democracy." We were really surprised. Of course, in the West it is not surprising to resort to force" when there is only supposed to be "democracy" and for this the KMT has a long tradition behind it. Placing a coffin before the hall during the National Assembly elections and fist fighting between legislative members—all this does not lack precedent, except that the contemporary counterparts are even more extreme. However, in the West "pulling punches" has always been regarded as "barbaric" and "uncivilized", and "a scandal." Nobody there has publicized this as something good. Despite the fact that their democracy is one within the rank of the bourgeoisie, they have always prided themselves on the principle of "respecting, recognizing the opponent, and being reasonable," and regard fist fighting as a disgrace. When Zhang Zuwei listed fist fighting in Taiwan's political circles as a virtue, we can only see this as the new development of his "grotesque literature." The statement "in the eyes of its mate even a bug has its charm" above cannot find a better example here.

But the most poignant point came with the sentence "complete with the 'unification' and 'independence' factions, there is practically everything" and the favorable attitude implicit in the sentence toward the "independence" faction. The "unification" faction advocates the unification of the two shores of the motherland, while "independence" advocates splitting Taiwan from



the motherland, and making it an independent "state." The conditions under which the "unification" faction would agree to unify differ from ours. Fortunately, all of us are descendants of the Chinese race, have a flesh-and-blood relationship, and share the view that "there is only one China." The people on the two shores will eventually reunite and the motherland will become one. Like Tibet's renegades, "Taiwan independence" elements want to cut the motherland's Taiwan apart from her body and make Taiwan into a "state." This is what the people of the two shores are most vehemently opposed to: The Chinese People's Government has many times solemnly declared, "The PRC is the sole and legitimate government." It resolutely opposes "one country, two governments" and the so-called "one China, one Taiwan." The whole world knows about the principle. The Taiwan authorities have also always opposed Taiwan independence. Zuwei put the "unification" and "independence" factions together, treated them as equals, and seems greatly encouraged by the "full freedom" enjoyed by the "unification" faction, and in this way he set himself up against the wide mass of the people of the two shores, therein losing even the basic identity of a Chinese. This price is a little too costly to pay.

Lenin once said: On the market, the salesmen with the loudest cries very often sell the worst goods. The "relaxation and confidence derived from wealth and freedom of speech" as promoted by Zuwei did not draw much response, but is rather like throwing a handful of dust into the sea, and in the sky over the two shores only the broken voice of the salesman remains.

The whole affair would not have been worth a thought. Through this affair one can think of many problems. Zuwei has always been a "grotesque" writer. For years he has glued his eyes to China's dark side and he has praised only political dissidents with a rebellious spirit. Styling himself as a "woodpecker" above the party and the people, why did Zuwei make a 180 degree turn after staying barely 16 days in Taiwan, and become a "glory singer?" Is it not a little puzzling?

On second thought this should not be a surprise. When he was in China Liu Binyan valued only writers devoted to exposing the dark side and took them as the greatest writers, and berated Lei Feng for being a tame puppet, and he prided himself as a "justice defender." When he visited Taiwan he became uncharacteristically obsequious and called himself "a primary student." Yan Jiaqi battled and charged forward like a fiend during the great turmoil. Earlier he patched together a "pirate ship" called "Goddess of Democracy" as a base for anti-communist propaganda and subverting the motherland. He hoped the ship would dock in Taiwan and win favors. He went to great lengths to curry favor with the Taiwan authorities, heaping gooseflesh-raising praises on Taiwan, saying "the Republic of China is doing well" and "it is wrong not to recognize it." With no shame at all, and shunning national and personal dignity, he

proceeded to propagandize 'two Chinas'." Unfortunately, the Taiwan authorities saw through him and the illusory nature of his support, which was only like the reflection of the moon in water, or a flower in the mirror, and a check with a vast sum but is blank. The result was more despising, and strict precautions and blockades when the ship docked. With nowhere to go the "Goddess of Democracy" was in the end sold. It is said that this broke Yan Jiaqi's heart, and he cried before the sea. In this farce, one by one, every "elite" has gone on stage to perform. To win the "grace" of the new master the "proud bone" became at an instant, the "bone of a slave." Tail wagging, rolling on the ground, and all other ingratiating moves are possible. At this great auction of personal and national dignity the roles they played were different. They all degraded themselves in the same way. Through their acts, we are made to realize that all spiritual elites high above the motherland and the people will, without exception, become a spineless sycophant once they defect. We must not have any impractical illusions about them. They have opened people's eyes. In this regard they can be said to have made some contributions, for which we must be thankful.

#### Successful Asian Games Security Work Detailed

OW2410124990 Beijing XINHUA Domestic Service  
in Chinese 1206 GMT 19 Oct 90

[By reporter Niu Aimin (3662 1947 3046)]

[Text] Beijing, 19 Oct (XINHUA)—Following the successful conclusion of the 11th Asian Games, both foreign and Chinese guests and athletes, as well as personages from all sectors of the capital, have showered praise on the excellent safety and security work accomplished during the games, that ensured the event was carried out smoothly.

Wang Dingfeng, press spokesman for the Beijing Municipal Public Security Bureau, today told this XINHUA reporter: "The safety and security measures adopted for the Asian Games ensured that the event was held smoothly, including its opening and closing ceremonies, contests, torch relays, and other activities. They also ensured the safety of the sports delegation officials and the more than 6,000 athletes who participated in the games, at their lodgings, during their transportation, and in the competitions. No accidents occurred that might have hampered Asian Games activities or endangered personal safety. During the games, the capital enjoyed an excellent and stable public order, and no pernicious incidents such as fires and major traffic accidents occurred."

In an effort to ensure that the Asian Games were safe and trouble-free, Beijing municipal and state departments concerned joined hands to form a leading agency that, with quick access to information, could make timely decisions and handle things in a resolute manner. The agency was in sole charge of ensuring safety and security during the Asian Games. According to a responsible person, over 700 bits of information concerning threats



to safety during the games were received, and effective measures were adopted in good time to foil them. He said: "We had no fear of problems or difficulties; what we feared was ignorance to problems and carelessness."

More than 200 safety and security plans were adopted for the Asian Games, ranging from a general plan to detailed ones for each sentry post, task, and problem. Those plans clearly defined standard requirements and policy authority. All possible problems were taken into consideration and corresponding measures were formulated accordingly.

Prior to the Asian Games, traffic safety control departments under public security organs conducted a safety check of each of the 2,780 motor vehicles designated for the exclusive use of the games; they also vigorously improved bicycle traffic. Public security departments made stringent inspections of firearms, ammunition, and dangerous articles that were combustible, explodable, poisonous, or radioactive; and put them in special custody. Fire departments repeatedly conducted fire safety inspections and eliminated 64,000 fire hazards. Meanwhile, an anticrime campaign was launched throughout the city, which led to a significant improvement in public order in the capital. As a result, there was a remarkable decline in impulsive phenomena and criminal cases dropped month after month. During the Asian Games, susceptible people, articles, and localities were put under legal and reasonable control to prevent accidents from taking place.

A total of 1,697,000 spectators watched 247 contests in the 33 arenas and stadiums used during the Asian Games. Safety and security departments sent out an accumulated manpower [ren ci 0086 2945] of 348,000 public security and armed police officers and men to maintain order at competition sites.

Advanced techniques and methods were adopted to ensure safety and security during the games. All of these efforts as well as the security personnels' high sense of duty ensured the safety of the games and the safety of foreign and Chinese guests.

There was an extensive security check during the Asian Games. More than 2,000 security guards conducted security checks on 4,216,366 people, 8,100 vehicles, and more than 40,000 pieces of luggage and packages in a little more than one month from the opening of the Asian Games Village to the closing of the games.

Inspired by the spirit of "winning honor for the motherland, contributing to the Asian Games, and bringing glory to police insignia," public security officers and men, armed police force, and security cadres in Beijing municipality gave up their holidays and off days and worked continuously. During peak times, each of them worked 14 to 15 hours a day. Some of them were so devoted to their work that they stayed at their posts despite family problems involving sick children, parturient wives, and dying parents. Many public security and armed police officers and men continued to work even

when they were ill, and some comrades passed out because of exhaustion. When on duty, they conducted themselves politely and observed discipline. Some athletes were so impressed that they gave flowers to sentry guards.

The security work for this Asian Games was successful also because we had widely mobilized the masses and relied on the people to do the work, and we had created a situation in which all of society and all people participated in security work.

In May, the Beijing Municipal CPC Committee suggested that the municipality's central task should be sponsoring the Asian Games well, and it also emphasized the necessity to put security work above all else. Accordingly, all districts, counties and departments concerned had attached great importance to security work for the Asian Games and successively formed security work leading groups. Command posts for security work were set up in all stadiums and competition sites. They integrated security work with education in patriotism and made people aware of the importance of patriotism, the success of the Asian Games, and security work. Transport, fire, and public security departments successively carried out various activities to publicize traffic safety and fire prevention. Enterprises and institutions that supplied water, electricity, gas and food to the Asian Games paid attention to safety in their production, service, and management, practiced responsibility at various levels, and enhanced the sense of safety and responsibility among their workers and staff members. Workers and staff members at the Asian Games Village and various stadiums and competition sites had worked seriously to ensure safety of athletes and sports officials.

During the Asian Games, 440,000 retired elderly people, wearing red armbands, voluntarily helped maintain law and order in the streets. Thousands and thousands of Communist Youth League members from enterprises, institutions, colleges, and middle schools, wearing yellow vests, worked at "Asian Games traffic posts" in the streets, where, rain or shine, they voluntarily helped maintain traffic and public order. In addition, there were 10,000 volunteers from various trades and professions assisting public security police and armed police in street patrol day and night.

According to a statistics compiled by the department concerned, 650,000 people from various trades and professions in Beijing's rural and urban areas participated in security work for the Asian Games, and they contributed 880,000 man-days of work in helping maintain traffic order in the streets.

State organs, Beijing Municipality, and the departments concerned of other municipalities and provinces responsible for the security work for the Asian Games worked in close coordination and cooperation under a unified leadership for the general objective of "ensuring safety."

Prior to the opening of the Asian Games, state departments concerned contacted various provinces and

municipalities and urged them to cooperate with Beijing Municipality in doing good security work for the Asian Games. All localities immediately took action to deal blows to those criminals who attempted to create disturbances and promptly informed Beijing of significant circumstances. Civil aviation, railway, and transport police departments educated travellers entering Beijing and did all they could to eliminate unsafe factors for the Asian Games outside Beijing. On the eve of the Asian Games, the Hebei Province public security department launched "Operation Beijing Suburbs" twice to round up fugitives in the areas surrounding Beijing, and thus greatly improved the public order in those areas.

Medical personnel in Beijing seriously provided a good medical care service for the Asian Games. During the Asian Games, there was not a single case of food poisoning, epidemic disease, or a patient being endangered due to delay in treatment.

All Asian countries and regions cooperated with China in the security work for the Asian Games. Security officers from all sports delegations maintained contacts and exchanged information with China's security department. At the same time, Interpol also provided its support and cooperation.

#### **Luo Gan Commends Police Force's Asiad Security**

*OW2510183590 Beijing XINHUA Domestic Service in Chinese 1407 GMT 25 Oct 90*

[By correspondent Zhou Guangting (0719 1639 1656)]

[Text] Beijing, 25 Oct (XINHUA)—The Armed Police Force held a commendation meeting this morning to sum up the security work at the Asian Games and to present awards to six armed police units and 14 individuals who made outstanding contributions to the security of the games.

The meeting was attended by Luo Gan, secretary general of the State Council; He Zhenliang, vice minister in charge of the State Physical Culture and Sports Commission; Gu Linfang, vice minister of public security; Li Jinai, deputy director of the General Political Department; Su Zhongxiang, vice mayor of Beijing; and Commander Zhou Yushu and Political Commissar Xu Shouzheng of the Armed Police Force, as well as some 1,000 commanders and fighters of the armed police units stationed in Beijing.

The six commended armed police units are the Military Band, No. 3 Detachment, No. 5 Detachment, No. 11 Detachment, Second Group under No. 11 Detachment of the Beijing Municipal People's Armed Police Corps, and the No. 15 Detachment of the Second Beijing Municipal People's Armed Police Corps. The 14 commended individuals are Li Changman, Yu Chuan, Wang Yawei, Wang Guojun, Qin Lijun, Chen Fei, Wen Hongxiang, Zhang Wenqi, Zhang Yansheng, Wang Xingwen, Zheng Xinyi, Yu Guoming, Zhang Luhai, and Zhang Changli.

On behalf of the State Council, Luo Gan expressed heartfelt thanks to armed police commanders and fighters for their contributions to the security of the Asian Games. He said: The vast numbers of armed police commanders and fighters displayed the spirit of defying fatigue in continuing operations; they overcame mounting difficulties, and closely cooperated with departments concerned. In this way, they ensured the security of the Asian Games, laid the groundwork for smooth progress of the games, and revealed the brilliant image of brave and civilized troops. Luo Gan called on all commanders and fighters of the Armed Police Force to develop the Asian Games spirit and to redouble their efforts to bring about a further improvement in the public order and promote the socialist economic construction in China.

#### **Song Renqiong Unveils Hunan Peng Dehuai Statue**

*OW2510054990 Beijing XINHUA in English 1546 GMT 24 Oct 90*

[Text] Changsha, October 24 (XINHUA)—An unveiling ceremony for the bronze statue of Peng Dehuai was held today in Pingjiang County, central China's Hunan Province.

Song Renqiong, vice chairman of the Central Advisory Commission of the Communist Party of China (CPC), and Wang Ping, a Standing Committee member of the Central Advisory Commission, attended the ceremony and unveiled the statue on behalf of the CPC Central Committee and the Central Military Commission.

Today is the 92nd anniversary of Peng's birth.

Peng was an outstanding member of the Communist Party, a devoted communist supporter and a great proletarian revolutionary. He was also an outstanding leader of the Chinese Communist Party, the state, and the People's Liberation Army, Song said at the ceremony.

Peng successfully organized and led the well-known "Pingjiang Uprising" on July 22, 1928 in Hunan's Pingjiang County.

More than 300 people including party, government and military leaders from various levels attended today's ceremony.

#### **Zhu Rongji Welcomes Shaanxi's Study Group**

*OW2610085390 Shanghai City Service in Mandarin 1000 GMT 25 Oct 90*

[From the "News and Weather" program]

[Text] Zhu Rongji, municipal party committee secretary and mayor; Wu Bangguo, municipal party committee deputy secretary; Zhang Dinghong, member of the municipal party committee Standing Committee and secretary of the municipal Discipline Inspection Commission; Gu Chuanxun, vice mayor; and other party and government leaders of Shanghai Municipality met this

morning with the members of a study delegation from Shaanxi Province currently visiting Shanghai. Zhang Boxing, Shaanxi provincial party committee secretary, heads the delegation while Li P. [unclear], member of the provincial party committee Standing Committee and secretary of the provincial Discipline Inspection Commission, and Liu Chunmao, vice provincial governor, are its deputy leaders.

Comrade Zhu Rongji extended a warm welcome to the Shaanxi provincial delegation on its visit to Shanghai. He expressed the hope that the comrades from Shaanxi Province will take a closer look at Shanghai to gain a better understanding of it to further promote cooperation between Shanghai and Shaanxi.

Speaking at the meeting, Comrade Zhang Boxing said that the delegation's visit has two objectives; namely, to learn from Shanghai and to thank it for the support it has extended to Shaanxi in the past. He expressed the hope that the closer cooperation between Shaanxi and Shanghai will help to further develop Shaanxi's economy, enhance the economic efficiency of its brand-name and outstanding products, and increase exports. Zhang Boxing maintained that Shaanxi can directly supply high quality coal to Pudong's Waigaoqiao Power Plant. He invited Shanghai to jointly develop Shaanxi's mineral resources and raw materials.

Vice Mayor Gu Chuanxun briefed the Shaanxi comrades on Shanghai's economic development.

The Shaanxi delegation visited the Baoshan Iron and Steel Complex yesterday. During their stay in Shanghai, they will visit the Pudong new area and the Shanghai Petrochemical Plant. They also will conduct negotiations with Shanghai's various departments, commissions, offices, and bureaus.

#### **Guangdong Secretary Leads Study in Shandong**

HK2310075790 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 21 Oct 90

[Text] A provincial study-and-investigation team led by provincial party committee secretary Lin Ruo has been in Shandong Province for an 11-day study and investigation during the first 20-day period of the month.

The 17-member team included Wang Zongchun, provincial party committee Standing Committee member and secretary of the provincial Discipline Inspection Committee; Vice Governor Zhang Gaoli; Guangzhou Vice Major Huang Weining; and responsible members of organs under the provincial government.

The team has been to a number of rural areas, factories, markets, and construction sites in Jinan, Zibo, Yantai, Weifang, Weihai, and Qingdao cities to learn Shandong's experience in economic construction, rural work, and party building.

In the last few years, Shandong has greatly expanded its economy in a sustained, stable, and coordinated way. Its

industry has grown rapidly while its agriculture has grown at an annual rate of 7.8 percent. Its agriculture enjoys a solid foundation with per-capita grain output hitting 400 kg, 100 kg more than Guangdong. The province ranks first in the whole country for cotton, oil-yielding crops, and fruit outputs, and also comes out in front in terms of aquatic products and tobacco outputs. Processing industry and township and town enterprises have expanded at a high speed, and basic industries and infrastructures have been well developed.

Members of the team compared Guangdong with Shandong to find out where the former had fallen behind. They felt that Guangdong leaders should further free themselves from old ideas, guard against arrogance and rashness, modestly learn from and use Shandong's experience, and go into action enterprisingly.

#### **Taiwan Independence Activities Viewed**

HK2410073790 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 20 Oct 90 p 2

[Article by Tian Di (3944 0966): "Why Is 'Taiwan Independence' Running Rampant Again?"]

[Text] When the "three elections" started in Taiwan late last year, calls for "Taiwan independence" were rampant. In recent days, "Taiwan independence" activities have again been resurrected and are running wild over the questions of the island's "constitutional reform" and creation of the "National Unification Council," arousing the concern of compatriots on both sides of the Taiwan Strait.

This time, the flames of the "Taiwan independence" activities were ignited by a bill on "de facto independence of Taiwan sovereignty," which was thrown out by certain "Taiwan independence" agitators within the Democratic Progressive Party. Taking advantage of the current division separating both sides of the strait, they are trying to sever the blood, geographical, historical and kinship links between the two sides of the strait, and seeking to break up the motherland, the nation and the people with the so-called "sovereignty" over territory.

Waving the banner of "demand for democratic politics," a small handful of "Taiwan independence" elements have no qualms about sacrificing the general interests of the Chinese nation as well as the territorial integrity of China for their own selfish interests or those of their small organizations. Even though they proclaim themselves to be spokespersons for "the aspirations and interests of Taiwan's 20 million people," why do these "Taiwan independence" elements ignore the several public opinion polls conducted in the island in which the great majority of Taiwan compatriots favor unification and oppose "Taiwan independence"? When have they "democratically" respected this "popular will"? The best interpretation of its "demand for democratic politics" in fact amounts to nothing but the "democracy" to advocate "Taiwan independence." These people who proclaim themselves saviors of Taiwan do not hesitate to



use the future of Taiwan's 20 million people and of Taiwan itself, without the people's consent, as an experiment to realize their own personal ambitions. This is another form of force where a small handful of people imposes its will on the great majority. Why is "Taiwan independence" running rampant? There are several reasons for this, but the four main ones are as follows:

First, this is yet another exposure of the essence of the "Taiwan independence" elements. In the past, they had been able to deceive some people with their calls on "struggle for democracy," and "self-determination for the inhabitants." Today, as they watch the growing contacts between the compatriots on both sides of the strait, they fear that the harmonious national sentiments and stronger consensus for unification will totally smash the market for "Taiwan independence," hence they are forced to come to the forefront to try to divert attention from exchanges between the two sides of the strait, counter the compatriots' rising calls for unification, and block the historical trend toward unification.

Second, to check the Taiwan authorities in order to increase its bargaining power in the game of "dividing up the political cake".

Third, as the Taiwan authorities find themselves sinking gradually into a dead end of passivity and contradictions over the questions of its mainland policy, unification and "political reform" in the island, it is being used by the "Taiwan independence" elements. For instance, if you want to share "executive power" and "power over jurisdiction," he comes up with "sovereignty"; you propose "one country, two governments," "one country, two regions" or "two political entities," he comes up with "two countries, two governments," or "two independent sovereignties"; you want to engage in "flexible diplomacy" and "dual recognition," he wants "independent diplomacy over de facto territorial possession"; you want to "cool down" or "freeze" exchanges between the two sides of the strait, he wants "a total severance."

Fourth, the Taiwan authorities' posturing and leniency toward the "Taiwan independence" elements have emboldened the latter. In particular, its recent shielding and tolerance of the "Taiwan independence" activities under the guise of carrying out "political democratization" is becoming more and more evident. While it uses strong language like "absolutely not tolerate," "resolutely suppress," and "deal with sternly according to the law" in condemning and threatening these elements, it has also chosen to close one eye to activists engaged in "Taiwan independence." Otherwise, it arrests and then releases them, or sentences them and then releases them, going on and on with this charade. Recently, it even announced that "Taiwan independence" comes under "freedom of speech" and therefore does not constitute a crime. "Taiwan independence" elements from abroad come in and out of the island, and are able to coordinate with their counterparts in the island. The authorities also made it easy for overseas "Taiwan independence" organizations to hold a conference in the island and invited

"Taiwan independence" elements to return to Taiwan to take part in the "conference on national affairs." Undoubtedly, these helped fan the arrogance of the "Taiwan independence" elements.

Owing to arguments both at home and abroad, the Democratic Progressive Party's resolution concerning "de facto independence of sovereignty" was painstakingly amended at the last minute before its adoption; however, it cannot disguise its true picture of favoring "Taiwan independence." Certain leading personalities who have favored "independence" have also publicly revealed themselves and asserted that they in fact were "Taiwan independence." Not only will they put this on paper, but they also intend to match it with action, and have formed a so-called "Taiwan-China Relations Committee" which will systematically produce a draft "China Relations Act."

Opposition to "Taiwan independence" and protection of the territorial integrity of the motherland is the common responsibility of all Chinese on both sides of the strait. It is also the historic mission of the authorities. No one can block the great trend toward the reunion of the Chinese nation as well as the unification of China. The noisy commotion of "Taiwan independence" will definitely be drowned out by the grandiose music made by exchanges between compatriots on both sides of the strait.

#### **Circular Urges Self-Management in Villages**

OW2510143490 Beijing XINHUA Domestic Service  
in Chinese 0724 GMT 25 Oct 90

[Text] Beijing, 25 Oct (XINHUA)—The Ministry of Civil Affairs recently issued a circular on launching self-management by villagers' in rural areas throughout the country.

The circular pointed out that making villagers' self-management is an effective measure for thoroughly implementing the "Villagers' Committee Organic Law." Civil affairs departments at various levels should select well-established counties (cities), townships (towns), and villages as demonstration units and start organizing exhibitions. Those at the county level should concentrate on setting up demonstration villages, or, if conditions allow, demonstration townships (towns). Prefectural and provincial civil affairs departments should mainly attend to the establishment of demonstration townships (towns) and counties respectively. The Civil Affairs Ministry has designated Laixi County in Shandong Province as the national demonstration county for villagers' self-management.

The circular set the following requirements: The basic contents of villagers' self-management demonstrations should be determined according to the stipulations of the "Villagers' Committee Organic Law" and the concrete measures for implementation formulated by the standing committee of the people's congress of the respective province; the basic concept is to accord the villagers an opportunity to manage their own affairs

according to laws, enabling them to achieve self-management, self-education, and self-service. The main functions are to elect cadres of the villagers' committee according to law; establish a system of villagers council or conference of villagers' representatives; set up and perfect subordinate organizations and bodies under the villagers' committee, such as the sub-committees on security, mediation, public health, and villagers affairs; formulate the necessary rules, regulations, and codes of conduct; and accomplish the various state assignments outlined by the township (town) governments according to laws.

### 'National Spirit' Television Series Debuts

OW2410231990 Beijing XINHUA in English  
1544 GMT 24 Oct 90

[Text] Beijing, October 24 (XINHUA)—A new television series depicting the hard-working, selfless and enterprising spirit of average Chinese people made its debut at the Great Hall of the People today.

At the showing ceremony, the general director, Wang Wufu, said "the TV series entitled 'National Spirit' is aimed to promote our national spirit and praise the hard-working people of our country."

According to Wang, shooting of the 30-part series began in November 1989. So far, five parts have been completed.

The first three episodes were shown at today's ceremony. The first episode, entitled "Backbone", depicts the life of the miners at Shanxi Province's Tatong coal mine and shows the contributions they have made to the country. The second episode, named "Hope", reflects on how farmers' lives in Shanxi Province have improved in the years after 1978. The third episode, called "Soaring", tells the true story of a provincial airline company from the mountainous Sichuan Province that started its service from scratch. It was announced that the first five episodes will soon be broadcast by the China Central Television Station. The TV series is being jointly filmed by the Chinese Television Artists Association and the Asian Television Arts Center.

## Economic & Agricultural

### Official Denies Yuan Devaluation Reports

HK2610020790 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
26 Oct 90 p 1

[By Geoff Crothall]

[Text] For the second time in three months, a senior Chinese official has dismissed widespread speculation that the yuan is about to be devalued.

Vice-Finance Minister Chi Haibin was yesterday quoted as saying that although the current rate of 4.7 yuan to the

U.S. dollar did not accord with market reality, China would not be driven by market forces.

In July, the State Administration for Exchange Controls released a statement dismissing rumours of a further devaluation as "groundless".

"The rumour can only do harm to national economic order," the administration said.

Nevertheless, speculation that the yuan would be devalued to its market rate of 5.7 to the dollar continued, reaching a high point just before the opening of the Guangzhou Trade Fair last week.

Sources in the Bank of China's Shanghai branch say a devaluation is certainly on the cards, and it is simply a matter of finding the right time to go ahead.

Mid-December is now being tipped as the most likely date for a second devaluation.

The last devaluation was in December last year, when the yuan lost 21.2 per cent of its value against the dollar.

It is known that several foreign trade corporations have been pushing for a second devaluation, arguing the move would help stimulate the economy and remove the need for expensive central government export subsidies.

With inflation down to 2.3 per cent, its lowest level since 1985, the trade corporations say there is little danger of a serious rise in retail prices following the move.

Central bank officials have argued, however, that there is no need to devalue the yuan at the moment given the remarkable surge in exports this year which turned a U.S.\$6.5 billion deficit last year into a \$3 billion surplus in the first eight months of this year.

### Economic Situation in First Three Quarters

HK2510125190 Beijing XINHUA Domestic Service  
in Chinese 1143 GMT 24 Oct 90

[Report by Zhang Jinsheng (1728 6930 0524): "State Statistics Bureau Announces China's Economic Situation Improved Further in First Three Quarters of this Year"]

[Text] Beijing, 24 Oct (XINHUA)—According to data provided today by the State Statistics Bureau, our country's economic situation improved further in the first three quarters of this year. While upholding the principle of rectification and improvement and of deepening the reform, a series of measures by the State Council to appropriately adjust the macro-level degree of retrenchment scored some results. The operation of the national economy indicates that some conflicts restraining production and normal development of circulation have been eased, and that the economy is beginning to improve swiftly.

According to statistics, in the first three quarters of this year, GNP was 1197.7 billion yuan, up 2.7 percent from

the same period of last year; investment in fixed assets of units owned by the whole people amounted to 135.3 billion yuan, up 7.3 percent from the same period of last year; total amount of wages for staff was 197.3 billion yuan, up 10.6 percent from the same period of last year.

The data provide three figures which arouse the people's concern: First, in the first three quarters of this year, imports balanced exports, and exports were even bigger than imports by \$7.7 billion, while the state's foreign exchange reserves saw the largest increase over the same periods of each year since 1985; second, in the first three quarters of this year, the general level of retail price increased 2.3 percent over the same period of last year, the lowest since 1985; third, the proportion of investment in the energy industry within the total investment was up from 26.7 percent to 30.3 percent, higher than in the 1980's.

At today's press conference, Zhang Zhongji, State Statistics Bureau spokesman, offered an analysis and said: At present, the initial improvement of the economy is a result of the improvement of the state's macro-level regulation and control on the one hand, and on the other hand, it is related to the increase in social demand; an appropriate increase in social demand gives a new impetus to economic development.

Zhang Zhongji then listed some gratifying changes in our country's economy this year:

First, agriculture: Agricultural production broke through the situation of hovering at a low level of output in the past several years, and secured an overall bumper harvest. This year's total grain output is expected to surpass 420 million tons, both total output and per unit area yield will set new records. At the same time, key economic crops also secured bumper harvests, and animal husbandry and fishery production increased steadily. The output of pork, beef, lamb, and the output of aquatic products increased 7.7 percent and over six percent respectively over the same period last year.

Industrial production has passed the low ebb, and begun to improve steadily. Since the third quarter, industrial production maintained its trend of revival, and increased 7.5 percent in September, gradually returning to the development level characteristic of a normal year. In the first three quarters of this year, industrial enterprises at or above the township level in the whole country produced a total output value of 1,402 billion yuan, up 3.1 percent from the same period of last year. Meanwhile, the industrial product structure was adjusted, and the production of items needed by the market was comparatively stable.

In addition, in the area of key construction, work was speeded up, the adjustment of the investment structure scored some results. In the first three quarters of this year, a total of 26.8 billion yuan was invested in 200 key construction projects arranged by the state, making up a 67.2 percent of the planned total for the whole year, and

surpassing the speed of investment in capital construction throughout the country; energy and communication constructions were strengthened, with a total of 41.1 billion yuan invested in energy industry, up 22.1 percent from the same period of last year, while investment in transport, telecommunications and posts increased 16.3 percent over the same period last year, whereas investment in ordinary processing industry decreased a little bit. In the area of international income, since this year, the situation in our country's exports has been relatively good, the total exported value was \$414 [figure as received], up 14.2 percent from the same period of last year. Meanwhile, international tourism also revived, and in the first eight months of this year, the number of foreign visitors and the amount of foreign exchange earned from tourism increased by eight percent and 7.6 percent, respectively, over the same period last year. On the domestic market, since June, the total retail volume of commodity turned from decrease to increase; in the first three quarters of this year, on the average, there was a 2.2 percent increase over the same period last year. However, because the sluggish rural market has yet to improve, in the first three quarters of this year, market sales in the whole country still decreased 0.6 percent compared with the same period of last year, but some improvement is expected in the next several months.

Answering reporters' questions, Zhang Zhongji pointed out that the 7.5 percent industrial growth rate in September was normal. The state will take further measures to refrain from issuing IOUs when purchasing agricultural and sideline products, and this year's procurement situation is expected to be better than last year's, he added.

#### **Chen Jinhua Discusses Economic Structure Reform**

HK2510082990 Beijing RENMIN RIBAO in Chinese  
15 Oct 90 pp 1, 2

[Report: "Chen Jinhua Answers Reporter's Questions on Economic Reform"]

[Text] Beijing, 14 Oct (XINHUA)—Issue No. 10 of ZHONGGUO JINGJI TIZHI GAIGE, a journal sponsored by the State Commission for Restructuring the Economy [SCRE], carried questions and answers between SCRE minister Chen Jinhua and the journal's reporter:

*Reporter: Minister Chen, will you please give your views on taking up the post as SCRE minister?*

Chen Jinhua: Premier Li Peng requested that he be relieved of this concurrent post to make it easier for him to concentrate on presiding over the State Council's overall work. The SCRE is a comprehensive functional department under the State Council for planning, coordinating, and directing reform of China's economic structure. In the future, under the leadership of the party Central Committee and the State Council, the SCRE will



continuously strive for the deepening of China's economic restructuring and the building of socialism with Chinese characteristics.

Through practical work over the years, I personally think that the SCRE is a very important department. Over the past 10 years or more, in line with Comrade Deng Xiaoping's strategic designing, China has made impressive achievements in reform and opening up, while the SCRE has done much in terms of advice and implementation for the attainment of these achievements. It has also energetically coordinated with various localities and departments in continuously promoting the deepening and development of the reform. To further deepen the reform, it is necessary to resolve some problems at a deep level, and this makes the work more difficult. At present, continued deepening of the reform is aimed at establishing an effective macroeconomic regulatory and control mechanism, while the economic improvement and rectification is aimed at advancing the reform more satisfactorily and creating a favorable environment and economic order. Naturally, each complements the each other, but there also are contradictions between them, which are caused primarily by the necessary readjustments to the interest setup and the setup of authority and responsibility already formed. It was at this moment that I was ordered to take up the post as SCRE minister and I am profoundly aware of the heavy responsibility. However, the party Central Committee and the State Council attach great importance to reforming the economic structure, and to giving competent leadership to the work of the SCRE. Moreover, the reform has struck root in the hearts of the people and turned into a tide pushing forward progress in all aspects. We have also accumulated experience in the reform, and we have formed a contingent determined to carry it out. All these have convinced me that we will certainly be able to overcome difficulties in the reform of economic structure and go on advancing.

*Reporter: You talked just now of the greater difficulties in the current economic structure reform. How should we understand this? Since your appointment, what are the work endeavors that the SCRE plans to emphatically grasp in the near term?*

Chen Jinhua: China has attained remarkable achievements in economic improvement and rectification, and the national economy is developing in a good direction. At the same time, however, many deep-level problems in the economic life, as well as the new contradictions cropping up in the course of economic improvement and rectification, are yet to be resolved properly. Given such circumstances, while preserving the stability and continuity of the basic policies on urban and rural areas, we should lose no time in pushing, in a planned way and with good preparations, the reform to a deeper level and closely integrating reform with development in order to promote a sustained, stable, and coordinated development of the national economy. Naturally, this is not an easy task, but something that requires us to do much arduous and meticulous work.

The primary work of the SCRE at present is to concentrate on studying and drawing up the Eighth Five-Year Plan and the 10-year basic plan for reforming the economic structure. The quintessence is to study how to establish an economic operational mechanism that combines the planned economy, which is suited to the socialist planned commodity economy, with market regulation. This is a major topic, a question that needs to be constantly explored, both theoretically and in practice. Many countries in the world, as well as various schools of economic theory, have put forward and practiced different ideas. In China, however, we must persist in proceeding from our national conditions, namely, the fact that we have a population of 1.1 billion, and there are great differences in the distribution of resources and levels of economic development, as well as differences in people's quality. For such a large country as ours, sticking to the planned economy is a directional question embodying the superiority of the socialist system. We should never vacillate on this issue. Moreover, we should also note that, with a vast territory and numerous problems posed in our life, we cannot and should not use planning to exercise unified controls over everything. Otherwise, as criticized by Lenin, a complete, all-embracing, and genuine plan is tantamount to bureaucratic fantasy.

*Reporter: What is your view on establishing an economic operational mechanism integrating planned economy with market regulation?*

Chen Jinhua: This is a great issue and the core of the reform which needs to be explored, summed up, explored again, and summed up again in reform practice. Integrating the planned economy with market regulation tallies with the socialist orientation and China's national conditions, and is the guiding principle that must be upheld in deepening the reform. This principle should be implemented and embodied in production, circulation, and distribution, as well as in consumption. The form of integration should be flexible and diversified. In different economic sectors, activities, and periods, the integration of the two should vary in terms of degree, scope, and form. In practice we should strive to explore this central issue, and through comprehensive supporting reforms gradually establish an enterprise operational system, a market system, and a macroeconomic regulatory and control system suited to an operational mechanism that is organically integrated with planned economy and market regulation.

*Reporter: As a central link in reform of the economic structure, how should enterprise reform be further deepened?*

Chen Jinhua: As economic cells of society, the stability and vitality of enterprises have a bearing on the stability and development of the national economy as a whole. In deepening enterprise reform, we should preserve the continuity of reform policies and measures, especially in the period of improving the economic environment and

rectifying the economic order. First, we should continuously uphold and improve various forms of the contracted management responsibility system. Having been extensively instituted throughout the country for several years, this system has played an important role in arousing the initiative of enterprises, workers, and staff members in production and operations. However, the capacity of enterprises to assume full responsibility for their profits and losses and to undertake self-transformation, self-development, and self-restraint still is not strong and they have not developed a set of effective mechanisms. At present, we should further improve the contract system in various ways, such as contract base and rate of profits turned over to the state, contract time and assessment index system, and so on; then we should stimulate enterprise technological progress, strengthen enterprise management, and increase enterprise vitality and ability for long-term economic development. Moreover, we should ensure a steady increase in the state revenue and the appreciation of state assets, and strengthen and improve management of state assets. On this basis, we should experiment, in a planned way and in selected places, with separation of taxes and profits and with after-tax contract execution, gradually standardize the relationship between state and enterprises, and establish a relatively stable enterprise operational mechanism.

The deepening of enterprise reform also includes such issues as further boosting lateral economic association, amalgamation of enterprises and the development of enterprise groups so as to stimulate the rational flow of goods in stock and production elements; reducing duplicate production; optimizing resource distribution; and increasing the vitality of large and medium-sized enterprises and their competitiveness on the international market.

*Reporter: How do you plan to develop the market system?*

Chen Jinhua: The development of socialist commodity economy calls for the establishment of a perfect market system, especially the commodity market. The emphasis is to continuously develop a commodity circulation pattern of diversified economic sectors, operational methods, and circulation channels; establish and develop an effective, free-flowing, and controllable commodity market system, which includes markets for means of production, industrial consumer goods, and agricultural and sideline products; and further improve market organizations, statutes, and regulatory and control systems. Moreover, it is also necessary to develop technology, information, labor service, real estate, and capital markets.

*Reporter: What aspects of work will be stressed in establishing and improving the macroeconomic regulatory and control system?*

Chen Jinhua: This is a very complicated problem. The SCRE is summing up experience and conducting studies in coordination with relevant departments. Generally

speaking, the state will make reforms and explorations to comprehensively coordinate taxation, finance, planning and investment, and pricing systems so that all economic levers can be applied in an organic and coordinated way and so that macroeconomic regulatory and control means can serve the general goal of combining planned economy with market regulation in a better way.

*Reporter: Do you have any plans for building the SCRE's organizational setup?*

Chen Jinhua: Some time ago, due to lack of understanding, some people mixed up the subordinate unit of the SCRE, i.e., the former Chinese Institute of Restructuring Economy, with the SCRE. In fact, organizations under the SCRE work hard according to Comrade Deng Xiaoping's reform planning, obey the commands of the party Central Committee and the State Council, and have a good contingent.

Many comrades are very enthusiastic about reform and have accumulated much experience. As I said before, over the past few years, under the leadership of the party Central Committee and the State Council, the SCRE has done a lot of useful work. Of course, there have also been some errors, defects, and inadequacies. These have been or are being improved through summations and reflections. In the future, we will rely on party organizations and all working personnel to continuously step up ideological and political work, strengthen party building in organizations, continuously improve organizational setup, and carry out office work more vigorously, energetically and efficiently, so that the SCRE can truly become a collective having combat effectiveness and unifying force.

*Reporter: In what ways do you plan to carry out work in relation to the link between the SCRE and the local structural reform functional departments at all levels?*

Chen Jinhua: The SCRE should strengthen and forge closer ties with the local structural reform departments at all levels; organize office workers to go deep into the realities of reform, conduct experiments and explorations, study problems, and sum up experience with them; and rely on structural reform departments at all levels, as well as the large numbers of structural reform workers, to constantly deepen the reform. We also should conscientiously and modestly solicit their views on and requirements for reform work and the work of the SCRE. The SCRE should serve as a good adviser and assistant to the State Council in reform of the economic structure. Moreover, it also should try to help structural reform departments with their work.

Last, I would like to stress that most of the personnel in the nation's structural reform departments are good or relatively good. Many comrades have aspirations and talents and have constantly worked hard for and made contributions to reform undertakings. To push forward reform undertakings, we need more personnel with better talents who are determined to carry out reforms. They should support the leadership of communist party

and be loyal to the socialist cause; in work they should be good at thinking and should dare to innovate; in style they should go deep into the realities of life and work in a down-to-earth manner; and no matter how the objective environment changes, they should have firm convictions and fear neither difficulties nor setbacks. I am sure that with this contingent we surely will be able to meet challenges and to march victoriously toward the future under the leadership of the party Central Committee and the State Council and with the support and coordination of all sectors of society.

### **Economist Views Enterprise Reform**

#### **Part One**

HK2610035090 Beijing CHINA DAILY in English  
25 Oct 90 p 4

["Excerpts" of article by Jiang Yiwei, economist and former director of the Institute of Industrial Economics of the Chinese Academy of Social Sciences, originally published in the October issue of the bimonthly journal REFORM—title of article not given; first part]

[Text] The past 12 years has seen a great pickup in the Chinese economy.

Problems have cropped up at the same time, however, signaled by the double-digit inflation rate in recent years.

The assertion that reform had spelled inflation was popular even among theorists.

In my opinion, this assertion is ill-founded. It is incomplete reform that has caused most of the problems.

According to the logic of some who have been deterred by those problems, China should turn around to adopt some of the policies of the pre-reform period.

But this is almost impossible, as the benefits of reform have been widespread and convincing. Hardly are the mass of customers willing to be taken back to, for instance, the long queues in department stores and rationing in supplies of pork and eggs—phenomena rampant before the reform began.

#### **Realistic Solution**

The only realistic solution, therefore, can be the input of more strength to reform in order to help it extricate itself from the present difficulties.

By incomplete reform, I mean that the goal of the reform is yet to be achieved in the following aspects:

First, the implementation of some reform measures has not been thorough.

For example, as early as in late 1978, at the Third Plenum of the Chinese Communist Party's 11th Central Committee, separation of administration and business management was proposed as a subject of enterprise reform.

But the functions of the two have still to be clarified and divided.

Second, the coordination of reform on various fronts has not been effective.

At the central level, the changes in the financial system, taxation, and bank management do not seem to tally with one another.

#### **Contradictions**

The work of the central authorities, at the same time, has not kept pace with the managerial autonomy of enterprises.

This is reflected in the fact that, while enterprises are crying in pain under the government's financial squeeze, the government is reproaching them, regarding them as having acquired more than necessary financial independence.

This has unavoidably given rise to some contradictions and conflicts between different reform measures.

Third, the theoretical guidance of the reform has not been sufficiently systematic.

The central leadership made the decision on two major theoretical breakthroughs during the past 12 years.

One was the introduction of the so-called planned commodity economy in China. This has improved the classical understanding of Marxism and the socialist economy.

The other was the defining of China as still being in the initial stage of the development of socialism.

Much remains to be done in structuring the theoretical system based on these two main points.

For instance, the way to integrate government planning and market forces is still debatable.

As a result, the theoretical breakthroughs, significant as they are, have not found their specific formulas in practice.

Fourth, a few of the policies have backfired because of a lack of experience and miscalculations in guidance.

In 1988, for example, while the reform of the price structure was under theoretical debate, some faults and stumbles in macro-economic management caused panic among customers and fuelled bank runs and the nation's worst inflation in more than 30 years.

#### **Part Two**

HK2610035290 Beijing CHINA DAILY in English  
26 Oct 90 p 4

["Excerpts" of article by Jiang Yiwei, economist and former director of the Institute of Industrial Economics of the Chinese Academy of Social Sciences, originally



published in the October issue of the bimonthly journal REFORM—title of article not given; second and last part]

[Text] Enterprise reform remains a subject of heated discussion among Chinese economists.

What urban economic reform is all about, in the final analysis, is to turn enterprises into independent and responsible businesses.

The success of this reform depends to a great extent on adjusting relations between the government and the enterprises.

In order to do this, enterprise management must be separated from government, management of government-owned assets from trade administration, taxation from profit contribution to the government revenue, and capital investment from loans.

The division of the role of enterprises from that of the government is the key point and one which was proposed by the Third Plenum of the Chinese Communist Party's 11th Central Committee at the end of 1978.

Enterprises should no longer remain part of the government economic administration, the historical meeting stated.

This was designed to pave the way for the entire economy to shift from the previous over-centralized structure to one combining the advantages of both government planning and the marketplace.

The past 12 years of reform have not yet fulfilled this task. The business activities of enterprises are now and then disrupted as a result of official instructions.

Some administrative corporations were thrown up, and the government tried to maintain its control of the economy through these.

These companies were later curtailed following protests from the grassroots level, but were only to be replaced by trade associations which still spoke mainly for the government.

More recently, as enterprises began to form their groupings, a number of them were forced by the government to link up with one another.

These group corporations have therefore become synonymous with certain sections of the administration.

The incomplete division has also resulted in a lack of accountability for the public assets—especially the industrial assets.

Enterprises are affiliated to various administrative authorities, which are supposed to represent the public interests but which actually often prevent the enterprises from making their assets profitable—by all kinds of bureaucratic incompetence.

Above all, the enterprises are held down by the issuing of ill-advised decrees and regulations.

As the government is unable to interfere to such an extent with the management of collectively-owned, privately-owned and Sino-foreign jointly-owned enterprises, the business management of those enterprises can be more flexible.

It is plain to see that the lack of accountability regarding the value of public assets is one of the factors contributing to the comparatively poor performance of government-owned enterprises.

Nowadays, despite the recent establishment of the National Administration of State-Owned Properties (NASP), the management of China's public assets is still not systematic.

While existing industrial assets are supervised by the NASP, new investment projects are being overlooked by the State Planning Commission.

Under such circumstances, it is hard to have an integrated system for the management of public assets.

All publicly-owned assets should be under the control of specialized investment companies authorized by the NASP.

Their investment activities should be guided by the national leadership's industrial policy and they should be profitable.

In the process, this would lead to the redefining of the roles of taxation and profit turnover to the government revenue, and differentiate capital investment from the banks' ordinary loan programmes.

Enterprises would be paying only taxes to the government, once they had begun to share their profit income from their investors.

By the same token, the increase in the value of existing assets should go to the re-investors, which would include the enterprises themselves.

## East Region

### Anhui People's Congress Holds Plenary Session

OW2610061690 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 25 Oct 90

[Text] The 19th meeting of the Anhui Provincial People's Congress Standing Committee held a plenary session on the morning of 24 October.

Wang Guangyu, chairman of the provincial People's Congress Standing Committee, attended the session.

Entrusted by the provincial people's government, Xu Qing, chairman of the provincial economic commission, made a report to the session on the province's industrial production this year. He said: Since the beginning of this year, our province has slowly increased industrial production after surmounting numerous difficulties. By the end of September, the province had fulfilled 60.96 percent of its annual plan for industrial output value, increasing 2.2 percent over the same period last year. The distinguishing features were as follows: Heavy industry steadily increased its output; production in the energy, raw materials, and agriculture-supporting products industries in particular registered a bigger increase; production in large and medium-sized enterprises steadily increased; and the amount of foreign exchange earned by exporting industrial products considerably increased.

Xu Qing said: Many difficulties in industrial production still remain. In the next few months, we should make further efforts to market products, to improve economic results, to speed up technical transformation, and to do a good job in signing another series of industrial-enterprise contracts. At the same time, we conscientiously should build a spiritual civilization.

In his report to the session on the struggle by procuratorial organs against corruption and bribery in the province, (Liu Sheng), deputy procurator general of the provincial People's Procuratorate, said: Since the beginning of this year, procuratorial organs at various levels in the province have investigated and handled a number of serious cases of corruption, bribery, and other economic crimes. From January to September, procuratorial organs at various levels in the province accepted and heard 2,653 economic cases of various kinds, 518 of which involved more than 10,000 yuan or cadres at or above the county or department level, retrieving more than 21 million yuan for the state or collectives.

(Liu Sheng) said: Procuratorial organs at various levels in the province should continue to do a good job in investigating and handling major or serious cases and strive to handle a number of such cases before the end of the year to promote the extensive development of the struggle against corruption and bribery.

Kang Zhijie, vice chairman of the provincial People's Congress Standing Committee, presided over the session.

Zheng Rui, Chen Tianren, and Du Hongben, vice chairmen of the provincial People's Congress Standing Committee, attended the session.

Long Nian, vice governor of the province, and Wang Chengle, president of the provincial Higher People's Court, were present as observers.

### Hefei Promotes Periodical Subscriptions

OW2410053990 Hefei ANHUI RIBAO in Chinese  
14 Oct 90 p 1

[Text] Attaching importance to the circulation of party newspapers and periodicals, Hefei City is promoting, planning, and handling subscriptions early to bring about an 11 percent increase from this year's circulation of such publications.

Hefei City performs the work of circulating party newspapers and periodicals and handling subscriptions as a political task. The general office of the city party committee specially issued a circular requiring all sections and offices of various government organizations and party branches to subscribe to RENMIN RIBAO and QIUSHI. All factory and mine workshops, store sales departments (including teams and shifts with 20 members or more), university and middle school classes, and rural area administrative villages (including village and town enterprises) are required to subscribe to ANHUI RIBAO. Propaganda and postal service departments in Hefei City also have publicized widely the significance of subscribing to party newspapers and periodicals through the press, radio, television, bulletin board papers, photos, and other means. According to the needs of different readers, they also have compiled a "classified catalogue of newspapers and periodicals" and organized personnel to make house calls to recommend suitable reading material to potential subscribers, making it convenient for them to make their choice. Postal service departments have made reasonable adjustments in their working hours and in the seating at business counters of personnel handling subscriptions, and increased the number of subscription offices and personnel. In addition to handling subscriptions at business counters in post offices, they also are conducting large-scale prearranged subscriber house calls and are playing their role as a station for social circulation of newspapers and periodicals. By so doing, they have increased the circulation of party newspapers and periodicals. A meeting on the circulation of newspapers and periodicals was held recently in Hefei City. It was attended by persons in charge of propaganda from various enterprises, institutions, party and government organizations, and schools across the city. The meeting made arrangements for circulating party newspapers and periodicals in 1991.

Responsible comrades of the Hefei City party committee, the city government, the propaganda department of the city party committee, and ANHUI RIBAO addressed the meeting.

#### **Jiangsu Congress Standing Committee Meets**

OW2610063590 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 25 Oct 90

[Text] The 17th meeting of the Seventh Jiangsu Provincial People's Congress Standing Committee opened in Nanjing today.

Li Zhizhong, vice chairman of the provincial People's Congress Standing Committee, chaired this morning's plenary meeting.

The meeting heard a report by (Sheng Tianren), vice chairman of the Education, Science, and Culture Committee of the provincial People's Congress Standing Committee, on the examination and revision of the draft regulations of Jiangsu Province on family planning; explanations by (Wang Chaoyuan), chairman of the provincial construction commission, on draft measures for implementation of the urban planning law in Jiangsu; a briefing by (Liang Hongbo), acting director of the provincial bureau in charge of village and town enterprises, on the implementation of the policy of readjusting, consolidating, reforming, and improving village and town enterprises; a report by (Liu Hongqi), director of the provincial public health department, on the prevention and treatment of contagious diseases; a briefing by (Xu Jinan), deputy secretary general of the provincial government, on the handling of suggestions, criticisms, and opinions put forward by deputies to the provincial People's Congress; and explanations by (Ge Dezhi), vice chairman of the Nanjing City People's Congress Standing Committee, on regulations of Nanjing City governing trade unions in Chinese-foreign joint ventures.

The meeting also heard explanations by Vice Governor Gao Dezheng and Vice President (Hua Jiasong) of the provincial Higher People's Court on appointments and dismissals.

Xing Bai, Li Qingkui, and Zhang Yaohua, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting.

#### **Jiangsu Holds Meeting on Public Order Problems**

OW2610031590 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 23 Oct 90

[Text] A provincial meeting on comprehensive tackling of public-order problems was held in Suzhou From 20 to 23 October. The meeting summed up and exchanged experiences in comprehensively stepping up to tackle public-order problems under new conditions and set the objectives and tasks of and the specific measures for solving such problems in our province for the foreseeable future.

Shen Daren, secretary of the provincial party committee, made an important speech at the meeting.

Cao Hongming, deputy secretary of the provincial party committee, gave a report entitled: "Mobilize the Entire Party and Rely on the Masses To Make Concerted Efforts To Effectively Tackle Public-Order Problems in a Comprehensive Way."

Gao Dezheng, member of the Standing Committee of the provincial party committee and vice governor, summarized the meeting before its conclusion.

This meeting held that in the past few years, party committees and governments at various levels across the province have upheld the party's basic line and made vigorous efforts to improve judicial, procuratorial, and public security work. Carrying forward the fine tradition of integrating specialized work with the mass line, they have made ever vigorous efforts to comprehensively tackle public-order problems and to prevent crime while dealing blows to criminals, effectively ensuring the smooth development of reform and opening to the outside world, as well as economic construction. However, it should also be clearly recognized that in comprehensively tackling public-order problems in our province, there are still many weak links and uneven development of this work. So, the needs of the developing situation have yet to be met.

The meeting set the general objectives for comprehensively tackling public-order problems in our province at present and for the foreseeable future: 1) The overall public order situation is basically stable, and serious and frequently-occurring criminal cases have been basically brought under control. Efforts will be made to reduce such cases. Noticeable changes will be made in places where public-order problems are rather serious. Order in public places must be good, and the masses must have a sense of security. 2) Large numbers of cadres and people should enhance their awareness of the rule of law and be more enthusiastic about struggling against unlawful or criminal acts. 3) Party committees and governments at various levels should put comprehensive tackling of public-order problems on their agenda, periodically study such problems, and organize personnel to solve them. Leading bodies for comprehensive tackling of public-order problems at various levels should be strengthened and should work regularly. A situation will be brought about in which concerted efforts are made to comprehensively tackle public-order problems. 4) Basic work at the grass-roots level will be strengthened, a network of comprehensively tackling public-order problems will be set up, various responsibility systems will be implemented, and safety precautions will be carried out.

The meeting pointed out that it is to effectively perform work in six aspects in order to step up the efforts to comprehensively tackle public-order problems: To continuously concentrate our extensive efforts on dealing relentless blows to serious criminals and puncturing their arrogance; strengthen counseling and education for and



the control and transformation of people who have committed misdemeanors, as well as potential offenders; effectively strengthen ideological and political work and education on the socialist legal system, with the stress on youth; strengthen the efforts by the masses to prevent crime and tackle problems in this regard and resolutely check the increase of frequently-occurring cases of larceny; strengthen the reconciliation and mediation of various social contradictions; and strengthen the building of grass-roots organizations and improve the network of comprehensively tackling public-order problems.

### Chen Huanyou on Future Economic Work

OW2510131090 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 16 Oct 90

[Text] The provincial government held an enlarged plenary meeting today to analyze the province's economic situation and to arrange its work for the remaining period two months of this year. Governor Chen Huanyou urged governments at all levels and provincial departments to work harder to ensure a complete fulfillment of this year's national economic and social development plan.

Governor Chen Huanyou pointed out: There are only a little more than two months left of this year. We are pressed for time to fulfill this year's national economic and social development plan, which is an arduous task and beset by difficulties. The most important task now is to make unremitting efforts to achieve our economic goals: 1) We should not miss the opportune time for autumn harvest and sowing. We should mobilize the people to devote great efforts to constructing water conservation works for the winter-spring period. 2) While stressing the structural adjustment of industrial production, we also should work to reverse the severe decline in economic results. We should avoid over-stressing output value or blindly seeking rapid growth, but instead focus our attention on readjusting product mix and improving economic results. In view of the current slow sale of manufactured goods, we should pay special attention to developing new products and step up the upgrading of existing products. 3) We should open up more markets in and outside the province and increase commodity sales. The fourth quarter of the year is proving to be a brisk season for urban and rural markets. We should try every possible way to increase production of marketable goods to meet market demand during the two major traditional holidays—New Year's Day and the Spring Festival. Meanwhile, we should conscientiously make an effort to ensure an abundant food supply for the people and further activate rural markets. 4) We should keep up the good momentum in foreign trade and further ensure [words indistinct] in foreign trade, foreign capital, and foreign economic relations. We should ensure the procurement of export goods for the peak season. When granting new loans, banks should ensure that the procurement of export goods receives top priority. We should purchase as many exportable products

that enterprises and production units want us to purchase to increase exports. 5) We should continue to adhere to the policy of stabilizing and rigorously controlling prices. All localities and relevant departments should conscientiously enhance their leadership in enforcing price regulations. They should resolutely follow the unified arrangements made by the central authorities and the province. Indiscriminate price hikes and unauthorized exaction of fees and fee increases should not be allowed. 6) We should tap various sources for funds to alleviate capital shortages. We should actively readjust credit structure, wisely utilize our funds to ensure the construction of key projects, and play a better role in regulating the economy. 7) We should try to achieve this year's revenue target and reduce expenses to strike a balance between the two. The whole province should brace itself for a few years of austerity. Whatever can be done without should be done without.

As for next year's plans and production preparations, Governor Chen said: Next year will be the first of the Eighth Five-Year Plan as well as a crucial year for the campaign to improve the economic environment and rectify the economic order as it enters its second phase. We should formulate next year's economic plan in line with the requirement that calls for economic growth in a stable situation, better economic results through readjustment, and progress in the course of reform. Next year's economic plan should ensure a set growth rate, and, more importantly, we should make sure that economic results improve to further stabilize the economy. At this time we should carry out measures that enjoy a consensus among all levels on their implementation. In his speech, Governor Chen Huanyou also put forth specific requirements in the fields of science, technology, education, culture, public health, sports, as well as on enhancing the comprehensive effort to improve public order and strengthening organ building.

### Shandong's Jiang Chunyun Views Militia's Role

HK2310075990 Beijing JIEFANGJUN BAO in Chinese  
6 Oct 90 p 2

[Report by Bu Weili (2957 0251 0448) and Sun Xiangjun (1327 0686 6511): "Shandong Provincial CPC Secretary Jiang Chunyun: The Militia Is an Important Force for Social Stability"]

[Text] In the autumn, flowers are in full bloom all over Shandong Province and one can feel the festive air of "celebrating the Asian Games and National Day" everywhere. Under such a harmonious and stable situation, we should not forget the important contributions of the vast numbers of militia in maintaining social stability.

Public security has a bearing on the common interests of society and the people. Strengthening public security is an indispensable prerequisite in our efforts to adhere to the four cardinal principles, ensure the long-time stability of the country, smoothly carry out reform and opening up, and building the four modernizations. Being located in a coastal area Shandong is a coastal defense

area, judged from the military point of view and from the economic viewpoint, one of the provinces implementing the strategy for economic development in coastal areas. It is, therefore, of special significance to organize the militia to participate in public security work. Over the years, thanks to close coordination between the public security police, the vast numbers of the militia, and the masses, and the concerted efforts made by people of all trades and professions in improving social security in a comprehensive way, good results have been scored in public security work in Shandong Province. The province has a lower per capita rate of criminal cases and an evidently lower rate of major cases than the whole country. Yantai City has taken vigorous action to organize the participation of the militia in improving public security in a comprehensive way. As a result, 83 percent of towns and villages have become "three no's" units with no major cases having bad consequences, no criminal cases bred by civil disputes, and no major disastrous accidents of public security; 93 percent of enterprises have become "four no's" units. It can be put as follows: Shandong's social stability is partly attributable to the important contributions by the militia who have rendered great service.

We should further bring into play the following roles of the militia in maintaining public security: First, as security guards in their own units. Militia organizations are very popular and almost all administrative villages, factories, mines, and enterprises have their own militia organization. Party committees, governments, and the People's Armed Forces departments at all levels should make full use of this force in strengthening the security of their own units. In this way, the overall public security is provided with a reliable basis. Second, as assistants in coordinating with public security organs to crack down on criminal activities. In our efforts to maintain public security, public security organs play the part of the main force while militia organizations act as their left and right arms which are well-organized, familiar with actual conditions, and living among the masses. Third, as the backbone in improving public security in a comprehensive way. This is a system engineering project, involving all fields of society. The People's Armed Forces departments at all levels have organized millions of militia in taking an active part in the mass work of improving local public security in a comprehensive way. Meanwhile, they have also set up militia coastal defense responsibility zones, enabling militia organizations to become "far-seeing eyes" and "well-informed ears" along the coast. In a word, as long as we strengthen the leadership and make arrangements in a scientific way, the militia in Shandong, with a glorious revolutionary tradition, can unquestionably give better play to its roles in maintaining public stability.

## Central-South Region

### CPC Appoints Zhao Fulin Guangxi Secretary

OW2510161190 Beijing XINHUA in English  
1526 GMT 25 Oct 90

[Text] Nanning, October 25 (XINHUA)—Zhao Fulin has been appointed secretary of the Guangxi Zhuang Autonomous Regional Committee of the Communist Party of China (CPC).

This appointment followed a decision of the CPC Central Committee.

The former secretary of the regional party committee, Chen Huiguang, will continue to serve as chairman of the regional committee of the Chinese People's Political Consultative Conference.

### Guan Guangfu Congratulates Journalists' Meeting

HK2610091290 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 22 Oct 90

[Text] The fourth council meeting of the Hubei Provincial Journalists' Association and the Hubei Provincial Journalism Association was held in Wuchang from 19 October to 20 October.

Provincial party committee Secretary Guan Guangfu extended his congratulations. Deputy Secretary Qian Yunlu attended and delivered a speech at the meeting.

In his speech, Comrade Qian Yunlu fully affirmed the work achievements scored by our press circles and the two associations. He emphatically pointed out: In face of the new international and domestic situations and the new historical task, news work must adopt a clear-cut stand in adhering to the four cardinal principles, to serving socialism and people, and to the principle of conducting mainly positive propaganda. He expressed the hope that the two associations will further play their roles as a bridge and a link in establishing contact with the broad masses of journalists, really turn correspondents' associations into homes of correspondents, and show concern for journalists politically, professionally, and in work and livelihood. The journalism association must adhere to the orientation of "Two Serves" [serve socialism and serve the broad masses of people], implement the principle of "Double Hundreds" [let a hundred flowers blossom and a hundred schools of thought contend], strengthen theoretical study, guide journalistic practice, and further deepen journalistic reform under the new circumstances; and enable journalistic work to become more practical and flexible, and achieve better results to promote the prosperity of the entire journalistic undertaking.

The meeting listened to the work report made by the previous council, revised and adopted the constitution of the two associations, and elected new leading institutions.

Comrade Zhou Chuanren was elected chairman of the provincial journalists' association and president of the provincial journalism association. Twelve comrades, including Lu Jian, Liu Chuncheng, Sun Jingxian, Yang Zhenqing, Yang Renben, Wang Wenhui, Nie Zijian, Lin Youchang, Chao Xianhuo, Xiong Minxin, Zhang Jiahou, and Bi Zhuying were elected vice chairmen or vice presidents.

Wang Furu, chief of the journalism bureau of the propaganda department of the CPC Central Committee, and Wang Zhongnong, director of the propaganda department of the provincial party committee, also delivered speeches at the meeting.

Li Dehua and Deng Zemin, deputy directors of the propaganda department of the provincial party committee, attended the meeting.

#### **Mao Zedong Thought Seminar Concludes in Hunan**

OW2510193090 Beijing XINHUA in English  
1627 GMT 25 Oct 90

[Text] Changsha, October 25 (XINHUA)—A three-day seminar on Mao Zedong Thought closed today in this capital of Hunan Province, Mao's native place.

More than 80 Chinese theorists and scholars attended the seminar.

A total of 80 papers have been submitted to the meeting sponsored by the Mao Zedong Thought Society.

The participants at the seminar expressed their belief that Marxism-Leninism and Mao Zedong Thought are essential guidance for China's revolution and construction and for China to uphold the socialist orientation.

The participants discussed the great contributions the three generations of the collective leadership of the Chinese Communist Party have made to the founding and development of Mao Zedong Thought.

The Mao Zedong Thought Society, which was set up in 1986, now has 1,400 members all over the country. The society has compiled a dictionary on Mao Zedong Thought, the first of its kind in China.

#### **North Region**

#### **Beijing City Continues To Crack Down on Crime**

OW2610053090 Beijing XINHUA Domestic Service  
in Chinese 1440 GMT 25 Oct 90

[By reporter Niu Aimin (3662 1947 3045)]

[Text] Beijing, 25 Oct (XINHUA)—Beijing Municipality will continue to strengthen its severe struggle against grave criminal activities. Today, the Beijing municipal party committee held a meeting to work out a plan for its next step in a drive of a "severe struggle" against crimes.

In this drive, which was launched five months ago, Beijing, like other places across the country, has achieved remarkable results. As of the end of September, the city has cracked down on more than 1.3 million cases of various kinds of crimes, including more than 3,500 grave cases. Illicit money confiscated amounts to 16.84 million yuan. Courts at all levels also held public trial meetings in a timely fashion to give sentences to a group of elements who have committed severe crimes. According to statistics by relevant departments, more than 100 criminals have surrendered to public security organs in June and July alone. During this period, many advanced people actively engaged in a struggle against illegal activities and pushed forward the campaign for the comprehensive improvement of social security and the elimination of the "six vices" in a bid to create a good environment for smooth progress of the Asian Games and the safety of the 41st National Day.

It was learned that since the drive of "severe struggle" against crimes launched in May, criminal cases in Beijing have declined for four straight months. However, criminal activities are beginning to gain ground in October. Grave crimes, especially robberies, are still rampant. Li Qiyuan, deputy secretary of the Beijing CPC Committee and secretary of the political affairs and law committee of the Beijing CPC Committee, said at the meeting: The situation of public security in Beijing still looks grim, and our tasks still are very arduous.

In this drive of a "severe struggle" against crimes, Beijing will concentrate on discovering grave cases, rooting out criminal groups, cracking down on criminals on the run, and eliminating in a determined way an increase of robberies. Meanwhile, public security order inside the units will be strengthened to prevent stealing by members of the units themselves.

#### **Hebei Achieves Record Cotton Harvest**

OW2610043290 Beijing XINHUA in English  
0244 GMT 26 Oct 90

[Text] Shijiazhuang, Oct 26 (XINHUA)—North China's Hebei Province is expected to harvest a record 525 million kg of cotton, a 10 percent increase over last year.

The increased purchasing price has stimulated the cotton farmers to produce and sell more cotton. The purchasing price for every 50 kg of cotton has been raised to 300 yuan as against 236.42 yuan last year.

In addition, the local authorities supply more fertilizer and pesticide for cotton growers who sell cotton to the state.

Technical personnel have also improved their service to cotton growers.

The province, a main cotton producer in China, has purchased over 217 million kg of cotton so far.



**Tianjin's Tan Shaowen Visits Jinghai County***SK2410132590 Tianjin City Service in Mandarin  
2300 GMT 23 Oct 90*

[Text] On the morning of 23 October, Tan Shaowen, secretary of the municipal party committee, led responsible persons of pertinent departments to the (Chengguantun) Town in Jinghai County to hold heart-to-heart talks and give service. During the activities, cadres of the county as well as townships and villages explained to Comrade Tan Shaowen how they had led the masses in helping themselves through production under the leadership of the municipal party committee and government in the past few months. Thanks to the concerted efforts of cadres and ordinary people in the past few months, the county's total grain output exceeded 200 million kg by the end of September, a record high, and its industrial output value totaled 2.24 billion yuan, an increase of (nine) percent over the corresponding period last year.

Comrade Tan Shaowen fully appraised their work. He pointed out: The current rural work faces many difficulties and heavy tasks. A very important factor deciding whether we can boost the enthusiasm of the vast number of cadres and ordinary people and push agricultural production forward is that we should give full play to the role of grass-roots party branches as fighting bastions and the role of party members as vanguards and models. At present, cadres at various levels in rural areas shoulder the responsibilities to intensify the education and propaganda on the position of agriculture as the foundation of the national economy, to intensify the study of the household output-related contract responsibility system and other policy issues and to strengthen efforts to popularize agroscientific knowledge. They should successfully fulfill their responsibilities.

In conclusion, Tan Shaowen stressed: Our municipality has carried out the heart-to-heart talk and service activities for several years. As has been proven in practice, such activities constitute a major measure to strengthen the party's ties with the masses. It is hoped that leading cadres at various levels throughout the municipality, especially grass-roots cadres, will persist in this practice and turn it into a system to be carried out on a regular basis. They should also [words indistinct].

During the heart-to-heart talk and service activities, Comrade Tan Shaowen also coordinated with the municipal finance bureau, planning commission, and [words indistinct] to help solve the practical problems of Jinghai County and (Changguantun) Town.

**Northeast Region****Sun Weiben Awards Model Grain Sellers***SK2410125590 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 20 Oct 90*

[Excerpts] On 20 October, the provincial government commended and awarded the 32 units and 100 model sellers advanced in selling grain in the province in 1989. [passage omitted]

On the afternoon of 20 October, the meeting hall on the second floor of Beifang Mansion Building was permeated with the atmosphere of producing and selling as much grain as possible. Amid warm applause, leading comrades Sun Weiben, Ma Guoliang, Meng Qingxiang, Zhang Xiangling, He Shoulun, Du Xianzhong, Dai Moan, Cong Fukui, Sun Kuiwen, and Zhang Li presented trophies, certificates, and awards to representatives of the advanced grain producing and procuring units and to model grain sellers.

**Speaks on Bumper Harvest***SK2410131590 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 20 Oct 90*

[Text] On the afternoon of 20 October at the Beifang Mansion Building, leaders of the provincial party committee, the provincial advisory commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] met and cordially talked with representatives of the province's units advanced in producing and procuring grain in 1989 and of the province's 1989 grain selling models. Sun Weiben, secretary of the provincial party committee, praised them for their contributions to making the province's total grain output again reach 20 billion kg this year, and encouraged them to make continued efforts to realize a stable, high grain output throughout the province next year.

Sun Weiben said: [Begin recording] We all are very glad to see the bumper agricultural harvest this year. [passage indistinct] Where does this achievement come from? Simply speaking, it can be summarized in two ways: the endeavor of the people and the help of the nature. By the people's endeavor, we mean that this year party committees and governments at all levels, the vast number of cadres on the agricultural front, and the broad masses of peasants throughout the province really exerted themselves in agriculture. In the face of this achievement, however, we should not be unrealistically swollen with pride and complacency. We should actually notice that our achievement has indeed partly come from the help of nature. [passage indistinct]

Then, I would like to discuss the situation our province faces now. Our achievements are truly gratifying, but some problems actually warrant attention from leaders at all levels, and should be listed as items on their daily agendas. To list problems as an item on the daily agenda of our work, we are required to do some work in many fields. Although there are many jobs we should do, the most two important tasks are as follows: First, we should take advantage of the opportunity of bumper harvests to further decontrol and enliven grain markets throughout the province. Under bumper harvest conditions, we should never give rise to the phenomenon of [words indistinct] grain. After bumper harvests, our grain departments at all levels should on no account wantonly lower grain grades and prices. Under bumper harvest

conditions, although there is a serious fund shortage, we should ensure the money to pay grain sellers, and should not give them IOUs. The second task we face is the [words indistinct] next year. This year, we have already topped the stage of 40 billion jin. Now that we have topped the stage of 40 billion jin, we should strive not to fall back from this stage. Thus, mapping out methods to prevent our falling back from this stage is an extremely important task facing our party committees and governments at all levels, as well as a heavy task facing cadres on the agricultural front and the vast number of peasants throughout the province. During a discussion held a few days ago, participants made the determination that even if nature does not help us next year, we will never fall back from the stage of 40 billion jin. Once we have achieved the stage of 40 billion jin, we will never step down from it. We should have such a high aims and lofty aspirations. Therefore, to ensure a 40 billion jin grain output next year, even under the situation of having no help from nature, we are required to do much work. [end recording]

#### **Ideological, Political Work Conference Opens**

SK2510135190 Changchun Jilin Provincial Service  
in Mandarin 1030 GMT 24 Oct 90

[Text] The provincial rural ideological and political work conference which was cosponsored by the provincial party committee and government opened at the (Yiyuan) Hotel in Changchun. Leading provincial comrades, including Gu Changchun, deputy secretary of the provincial party committee; vice provincial Governor Wu Yixia; and Ren Junjie, member of the Standing Committee of the provincial party committee and secretary general of the provincial party committee; attended the conference. Ren Junjie presided over the conference. Gu Changchun delivered a report at the conference.

The conference basically appraised our province's rural ideological and political work, noting that over the past few years our province's rural ideological and political work has changed its guidelines thanks to the attention paid by the party committee and governments at all levels. The people have consciously served economic reform and construction. Ideological and political work has effectively promoted the comprehensive carrying out and gradual deepening of all rural reforms and the overall development of the rural economy, and has brought along the mass spiritual civilization activities and noticeably enhanced the peasants' sense of self-decision and law. The degree of culture and civilization of peasants has greatly and profoundly changed. A new pattern of ideological and political work has gradually taken shape in the rural areas. The rural areas of all localities have consciously upheld the principle of paying simultaneous attention to the two civilizations. Ideological and political work has actively served rural economic work. While developing the collective economy, the rural areas have persisted in carrying out collective activities. The affinity and cohesion of grass-roots party

branches have been strengthened and the peasants' collectivist spirit and the sense of honor of being a part of the collectives have been enhanced. The practice of the past few years also showed that only by carrying out ideological and political work in villages and households can we grasp it in a down-to-earth manner. Strengthening the building of rural grass-roots party branches is the basic guarantee for successfully carrying out ideological and political work.

The conference noted: The tasks of our province's ideological and political work in the days to come are to realistically strengthen the party's leadership over ideological and political work, continue to exert strenuous efforts to grasp the building of rural grass-roots party branches, comprehensively carry out appraisals and competition on building villages, townships, and towns where nobility prevails, persist in carrying out activities on invigorating agriculture with science and technology and cultural and educational work in the rural areas, and use socialist ideology to occupy the rural front, guarantee the implementation of the line focusing on one central task and two basic points, promote the sound development of the material and spiritual civilization construction in the rural areas, and train and nurture socialist peasants of a new type who have ideals, morality, culture, and a sense of discipline.

#### **Enterprise Ideological Work Meeting Ends**

SK2510125590 Shenyang Liaoning Provincial  
Service in Mandarin 1030 GMT 24 Oct 90

[Text] After a four-day session, the provincial work conference on the ideological and political work of enterprises concluded in the city of Dalian on 24 October. Shang Wen, deputy secretary of the provincial party committee, addressed the conference and pointed out in his summary speech that in conducting the ideological and political work in the current or next period, we should regard as guidance the important speech of Comrade Quan Shuren at the work conference, earnestly implement the decision made by the provincial party committee, and should launch the campaign of learning from the Dalian shipyard among industrial enterprises across the province.

In his speech, Comrade Shang Wen urged the participating comrades to bring home the spirit of the provincial work conference, to deeply understand the guidelines of Comrade Quan Shuren's speech, and to master the essence of the experience gained by the Dalian shipyard in conducting ideological and political work. He also urged party committees and governments at all levels and leading personnel of the party and administrative organs under the enterprises to regard as important work the studying of the experience gained by the Dalian shipyard, to place the work high on their schedule, and to better integrate the studying of the experience gained by the Dalian shipyard with their local or own reality to score practical effects.

Attending the work conference were leading comrades from the provincial party committee, including Sun Qi,

Shang Wen, Wang Chonglu, and Li Guozhong; and Song Li, member of the Central Advisory Commission.



### Prospects for Mainland-Taiwan Trade Viewed

HK2410101190 Beijing JINGJI RIBAO in Chinese  
10 Oct 90 p 4

[Article by Tian Di (3944 0966): "Prospects of Taiwan's Economy and Cross-Strait Economic and Trade Relations in the Wake of the Gulf Crisis"]

[Text] Since the outbreak of the Gulf crisis on 2 August, the rise in international oil prices, turmoil in the financial markets, and collapse of the trade markets have dealt a big blow to the already declining Taiwan economy. What will be the effect of this situation to the future of cross-strait economic and trade relations?

As Taiwan imports 98 percent of its oil, its economy was severely affected in the last two oil crises. Half of Taiwan's oil imports come from the two countries involved in the current Gulf crisis, namely, Kuwait and Saudi Arabia. Even though the proportion of oil as a source of energy in Taiwan has dropped from 75 percent to 53 percent, oil remains the main energy source on the island. Oil and its by-products directly affect the electricity, gas, transportation and petrochemical, plastic, chemical, and garment industries; thus, its impact is wide-ranging. Therefore, Taiwan is very concerned with this Gulf crisis. At present, Taiwan's oil reserves are limited and the International Energy Agency has predicted an acute global oil shortage by the end of the year. With the unpredictability of the Middle East situation, Taiwan is particularly worried about the "source of its petroleum." At the moment, the dramatic rise in the prices of oil and oil products on the island has triggered off similar increases in all other commodities. Enterprises are faced with capital shortage and the unemployment rate has gone up. Exports have declined while the economic growth rate has dropped. Taiwan is thus hovering under the shadows of stagnation and inflation.

Confronted by the oil crisis and fear of high oil prices, the Taiwan authorities have adopted the measures of "stabilizing the oil supply, diversifying oil sources, and conserving energy." These measures will not bear fruit in a day or two. Thus, the question of purchasing oil from the mainland has again been raised.

Why the refusal to purchase mainland oil then? The official version in Taiwan is "crude oil from Communist China has high concentration and wax content and is not suitable for the installations of the China Oil Company"; there is also the "question of policy." The mainland has been exporting oil for many years now and oil is one of its main exports. Annual export volume totals 30 million tons. Japan, developing countries in the Americas, Singapore, the Philippines, Thailand, and Brazil are some of the major importers of mainland oil. The so-called "quality" problem cited by Taiwan as the reason for its refusal to purchase mainland oil seems insufficient. Besides, during the "mainland craze" on the island a while ago, "China Oil" had revealed its intention to "consider purchasing oil from the mainland if allowed by the authorities." In effect, the question of "quality" is

but an excuse, while the question of "policy" is the real obstacle. Mainland China has become a major force with which to be reckoned in the world oil market. A realistic analysis would show that Taiwan can only stand to gain if it purchases oil from the mainland. First, the mainland's oil production is relatively stable; exports continue to rise while its oil price is comparatively cheaper. The discovery of new oil and natural gas reserves in Xinjiang's (Talimu) [1044 6849 2606] Basin provides a new energy reserve base for the mainland. Second, proximity of distance means lower delivery costs. And as the mainland gradually develops the oilfields in the eastern South China Sea, it could only spell more convenience for Taiwan. Third, both the mainland and Taiwan are one country. Out of fraternal sentiments, the mainland will more or less look after the interests of Taiwan. Should Taiwan encounter problems in the international scene, the mainland would not sit by indifferently. This Gulf crisis should provide an extremely good opportunity for Taiwan and the mainland to set up an oil trade. The Taiwan authorities should not hinder themselves by their desire to save face and by their anachronistic "policy" and continue to hang on to an old and hostile view which can cause it to ignore the interests of the island's economy and people and miss a good opportunity. If "in diversifying its oil sources," it foregoes the closer source in favor of a farther source; that would not be a wise decision.

The island's industries which suffered the most from this blow are the upper, middle, and lower floating industries of petrochemical, plastic, chemical, and synthetic fiber. The petrochemical industry has been developing rapidly in the mainland in recent years. The opening of new large-scale petrochemical enterprises like the Yangzhi Vinyl Plant was observed closely by the upper, middle, and lower floating plants in Taiwan's petrochemical industry. Owing to rising prices in petrochemical materials and insufficient supply, Taiwan's petrochemical industry, synthetic fiber industry, and the garments industry are jointly considering investing and setting up plants in the mainland. Prospects for cooperation between the two sides of the strait in the petrochemical field are very likely. An economic slowdown in Taiwan is becoming more evident this year. The Gulf crisis will cause an immediate as well as short-term decline in its exports. Already, a transport problem is causing a delay in delivery of its exports to the Middle East countries, leading to a drastic increase in inventories and loss of business worth several billions of dollars. Hence, other markets are being sought. As the purchasing power in the international market is expected to deteriorate for quite a while, this will definitely be detrimental to Taiwan's export-oriented economy. However, it will also provide a new opportunity for development of cross-strait trade.

At present, Taiwan island suffers from lack of manpower, low investments, delay in economic restructuring, problems in operations in some factories, as well as a slump in the manufacturing industry. On one hand, the Taiwan authorities have adopted a looser fiscal

policy to help medium- and small-sized enterprises; on the other hand, it is also preparing to eliminate reprocessing enterprises with low additional value and strengthen guidance on foreign investments by factory operators. Plagued by conflicting sentiments, the Taiwan authorities recently decided to give guidance to factory owners who are off to develop industrial zones on the mainland. It has formulated "methods on management of indirect investment or technological cooperation in mainland areas" and expanded from 2,875 to 3,375 the number of product items approved for investment on the mainland. This was almost half of its tariff commodities. A new craze for investment on the mainland by Taiwanese businessmen may be expected to emerge. At the moment, several trade associations and factory owners in various sectors are making active preparations and have their eyes on Shanghai's Pudong Development Zone, the Changjiang coastal areas and Hainan Province; the farm and fishery industry has already received the authorities' approval to invest in Hainan; the opening of the second Asia-Europe transcontinental bridge on the mainland is stirring the hearts of Taiwanese businessmen eyeing the East European market. In sum, the new trend for investment on the mainland by Taiwanese businessmen are as follows: Spearheaded by trade associations, collective action by the various sectors, and investment in development of industrial region. The next two or three years will see the climax of massive Taiwanese investment on the mainland.

#### Shandong Receives More Taiwan Investment

OW2510061790 Beijing XINHUA in English  
0206 GMT 25 Oct 90

[Text] Jinan, October 25 (XINHUA)—Jinan, capital of east China's Shandong Province, now has 22 Taiwan-funded enterprises, involving 13.68 million U.S. dollars.

Six of the 22 enterprises have already gone into production.

In the past two years Jinan has signed 31 contracts with Taiwan businessmen, with the total investment reaching 28.45 million U.S. dollars.

By this September 80 percent of these enterprises had exported 8.46 million U.S. dollars-worth of goods.

Some Taiwan businessmen have also invested in real estate in Jinan.

#### Procedures for Taiwan TV Producers' Arrival

OW2410232290 Beijing XINHUA in English  
1459 GMT 24 Oct 90

[Text] Beijing, October 24 (XINHUA)—Tang Shubei, a spokesman from the Taiwan Affairs Office of the State Council, announced the application procedures for Taiwan TV producers who intend to come to the mainland, today.

Tang said that as exchanges between the two sides of the Taiwan Straits continue to develop, more and more TV producers from Taiwan province have come to the mainland to produce TV programs.

The spokesman said that the announcement of the application procedures is intended to ensure that everything goes smoothly for the Taiwan TV producers while on the mainland. The announcement is also intended to enhance TV production exchanges.

He said that Taiwan TV producers who intend to produce TV programs on the mainland, including TV films, scenery films, popular science films and films with special themes, should apply to the Hong Kong branch of the XINHUA NEWS AGENCY and get approval from the Ministry of Radio, Film and Television.

Applicants will need to submit their applications, delegation documents from their authorities, names of the institutions on the mainland which will be their hosts, detailed TV production plans (including scripts for TV films), resumes of the people coming to the mainland, and guarantees and credit certificates of a company in a third region (other than Taiwan and the mainland).

Applications should be made one to three months in advance.

Tang said that Beijing, Shanghai, Fuzhou, Guangzhou, Luohu in Shenzhen, Chengdu and Xian are designated as the entry ports for Taiwan TV producers who come to the mainland.

**Anniversary of Return to Motherland Celebrated**

*OW2610002790 Taipei CNA in English 1503 GMT  
25 Oct 90*

[Text] Taipei, Oct 25 (CNA)—The people of the Republic of China on Thursday celebrated the 45th anniversary of the islands return to the motherland at the end of the second world war.

Vice President Li Yuan-tsu was among more than 5,000 people who attended a rally in Tai Chung City, central Taiwan to mark Taiwan's liberation from 51 years of colonial rule by Japan. The island was restored to the Chinese Government in 1945 after Japan lost the war.

The vice president told the crowd that the economic achievements, made by all the people of Taiwan, should not only be carefully preserved but should also be shared with the people on the China mainland so that the Chinese on both sides of the Taiwan Straits can enjoy better lives, Li urged.

Taiwan Governor Lwen Chan, also presided over the rally, stressed the need for the people of Taiwan to keep vigilant guard against potential crisis and to protect national security. He cited the Iraqi invasion of Kuwait as a valuable lesson.

Similar rallies and other activities were held in major cities around the island, including Taipei.

**Wuer Kaixi Attends Fete**

*OW2610000190 Taipei CNA in English 1511 GMT  
25 Oct 90*

[Text] Chung Hsing New Village, Central Taiwan, Oct. 25 (CNA)—Wu'er Kaixi [Wu'er Kaixi], the exiled Mainland Chinese dissident who played a key role in 1989 student pro-democracy movement in Peking, observed Thursday that what impressed him most since his arrival in Taiwan last Sunday is freedom of the press.

In the company of friends, Wu'er attended today a reception celebrating the anniversary of Taiwan's release from Japanese colonial rule in 1945.

His presence immediately drew a crowd around him, and he raised his glass in a hello toast to everybody.

In reply to reporters' questions, the mainland dissident said he has been impressed with the freedom of reporting and the fast speed with which news is transmitted in the Republic of China.

"Mainland China will take a long, long time to catch up with press freedom and the quick dissemination of news as in Taiwan," he opined.

Wu'er, in Taiwan to have a medical check-up, said he hoped to see more of Taiwan after his health improves.

Thanking Taiwan people for their support, he said he will make all efforts possible to bring Mainland China's pro-democracy movement to a fruitful end.

**Singapore Prime Minister on Intention To Visit**

*OW2610113590 Taipei CNA in English 1117 GMT  
26 Oct 90*

[Text] Hong Kong, Oct. 26 (CNA)—Singapore Prime Minister Lee Kuan Yew repeated today that it might take 40 years before the Chinese mainland and Taiwan could reunify.

Lee made the remarks during a luncheon held at the Foreign Correspondents' Club. He was asked by a reporter whether he had changed his mind over the issue of the reunification of China after visiting communist China.

Addressing the Commonwealth Press Union Conference 10 days ago in Hong Kong, the prime minister predicted that it might take 40 years before Taiwan was eager to hold talks with communist China on political association.

He stressed today that he was not going to revise his time scale for a peaceful reunification of China.

Lee also said that he would visit Taiwan, but did not elaborate.

Commenting on his latest visit to the Chinese mainland, the prime minister said there is a widespread realization that communist China would not go back to the old times.

Communist China, he pointed out, is facing difficult problems which could only be solved by more and more free market policies.

Returning to the issue of Hong Kong, he predicted that there would be clear leadership lines from Peking that communist China should have more market-oriented and export-oriented policies, which would be good to the continuing prosperity of Hong Kong.



## Hong Kong

### December Party Plenum To Shuffle XINHUA Branch

HK2610020390 Hong Kong SOUTH CHINA  
MORNING POST in English 26 Oct 90 pp 1, 2

[By Fanny Wong and Chris Yeung]

[Text] China's de facto embassy in the territory, the NEW CHINA NEWS AGENCY [NCNA/XINHUA], is to undergo a major shake-up in its top leadership in about six months to a year.

Sources said that at least two NCNA vice-directors, Mr Zheng Hua and Mr Zhang Junsheng, and a handful of regional branch heads who had worked under former director, Mr Xu Jiatun, were to be replaced within a year.

Last night, the State Council announced that Mr Qin Wenjun, formerly the deputy party secretary of Shenzhen in charge of ideology and propaganda, had been appointed a vice-director of the NCNA. As is customary, it did not name who he was replacing.

However, it is expected he will assume control of propaganda affairs currently handled by Mr Zhang.

The heads of the three regional branches of the NCNA on Hong Kong Island, Kowloon and the New Territories are expected to be either retired or transferred.

The major shake-up has been described by informed sources as a drive to eliminate the influence of Mr Xu, who has been on an unauthorised "travel and rest" trip to the United States since May.

"The so-called Jiangzhe (Jiangsu and Zhejiang) clique is facing the axe. Working sentiments among them are quite unstable now. Everybody is making his own plan," the source said.

New candidates will have to be politically sensitive and possess extensive knowledge in economic and industrial affairs, sources say, and the changes are seen as essential as Beijing still sees resistance to the implementation of central policies in the territory.

Shortly after the departure of Mr Xu, one of his close confidants, Mr She Mengxiao, was recalled to Beijing to become the Vice-Minister of Justice.

Although top officials have reassured staff that there would not be a shake-up, personnel changes have been quietly taking place at the Happy Valley headquarters since February when Mr Xu bowed out.

A former vice-minister of Foreign Economic Relations and Trade, Mr Wang Pingqiang, has become the most senior vice-director since joining the NCNA in May to revamp mainland-funded enterprises in the territory.

Another new face is Mr Zheng Guoxiong, formerly a propaganda department head of the Guangdong provincial government, who became another vice-director.

Apart from these two, the other five vice-directors had worked under Mr Xu. They are Mr Zheng Hua, Mr Zheng Junsheng, Mr Qiao Zonghuai, Mr Mao Junnian and Mr Pan Zengxi.

Mr Zheng, who reached 60, the age of retirement, this year, had been expected to be sent back to the mainland a few months ago.

This plan was postponed after widespread reports in July that he was seeking political asylum in France. The reports were denied.

Mr Zheng's portfolios included organisation, economic matters and internal personnel, but it is understood that part of his work has already been taken over by Mr Zheng Guoxiong.

Another vice-director due to be transferred to the mainland is Mr Zhang Junsheng, who heads the propaganda department.

He is tipped to be replaced by Mr Qin Wenjun, a deputy party secretary of Shenzhen in charge of propaganda affairs.

The fate of Mr Qiao, the son of late Chinese Foreign Minister, Mr Qiao Guanhua and a member of the Chinese team of the Sino-British Joint Liaison Group, remained unclear.

The only locally-born vice-director, Mr Mao Junnian, who is seriously ill, is said to be unaffected by the ongoing shake-up.

A source said it was also unlikely that there would be major changes at the departmental level in the near future because of fears that the daily operation would be affected.

However, the heads of the three regional offices in Central, Kowloon Tong and Sha Tin are expected to be replaced.

The Central office head, Mr Li Wei-ting, a former head of the NCNA's research department, is tipped to be redrafted to his former post in place of Mr Zuo Mu.

The head of the Kowloon office, Mr Fang Jun is expected to retire and might have to return to the mainland, while the New Territories branch chief, Mr Mao Gengnian, is also said to be leaving.

A clearer picture of the shake-up is expected to emerge at the end of the seventh plenum of the Communist Party Central Committee, scheduled for December.

But the procedures and timetable for the reshuffle have already been drawn up, according to a source.

The personnel changes have been jointly coordinated by the party's Organisation Department, the State Council's Hong Kong and Macao Affairs Office and the Ministry of Foreign Affairs.

It is understood that Mr Xu has been accused of planting his confidants and cadres from Jiangsu and Zhejiang, where he worked before his posting to Hong Kong in 1982.

### Negotiations on Airport Project To Continue

HK2610030990 Hong Kong SOUTH CHINA  
MORNING POST in English 26 Oct 90 p 5

[By Shirley Yam]

[Text] The Hong Kong and Chinese governments will hold further talks on the port and airport scheme following the completion of the first round of discussions yesterday.

Both sides hailed the 11 days of meetings between teams of experts on the \$127 billion project as "useful, candid and constructive" in separate statements.

However, while the Hong Kong side said the Chinese considered there was a need for a new airport in the territory, the visiting mainland team made no conclusive remarks on the project.

The mainland experts are understood to remain unconvinced about the mammoth scale of the airport and the territory's ability to finance it.

Speaking after the closing session at Colvin House, Chinese team spokesman, Mr Luo Jiahuan, reiterated that China did not want to see any policy that would impose a financial burden on the post-1997 Hong Kong government.

"The Chinese side has given a lot of constructive opinions. We will report the discussion to the central Government in Beijing.

"As is well known, the Chinese side will support what is in the interest of Hong Kong's stability and prosperity.

"But we do not want any policy that will give the future Special Administrative Region [SAR] government a financial burden. This has been our long-standing position," Mr Luo said.

For the Hong Kong Government, the Chief Secretary Sir David Ford acknowledged that China was concerned about the financial position of the future SAR government as 40 per cent of the investment is expected to come from the public purse.

But he added: "Our impression is that the Chinese side considers there is a need for a new airport in Hong Kong.

"The Chinese side is also interested in the financial position which the Special Administrative Region government will inherit in 1997."

Sir David said the Government would continue to keep Beijing informed on the progress of the scheme on a regular basis.

Both sides said the date and place of the next meeting had yet to be settled through diplomatic channels.

The Government is understood to be prepared to send officials to Beijing to convince China of its ability to undertake the multi-billion-dollar project and the necessity to proceed according to the current timetable.

The mainland experts are believed to have challenged the need to have a two-runway airport and the cost of the transport link to it.

They also questioned the necessity of an airport which will be able to accommodate 80 million passengers a year by 1997 although the passenger level is expected to reach only 32 million by the year 2000.

The eight-member Chinese delegation, headed by Mr Yong Longgui, China's top economic adviser, was briefed by government officials on various aspects of the project and had sought views from local professionals during their visit.

However, Mr Yong has been absent from the discussions since undergoing brain surgery after falling down a flight of stairs last Friday.

He was moved from the intensive care unit of Queen Mary Hospital to a general ward yesterday morning as his wife and other family members arrived in the territory to visit him.

Meanwhile, Mr Ho Saichu, a member of the Provisional Airport Authority who met the Chinese team recently, said the Government should consider compromising with China by delaying the construction of one of the runways, which would trim the cost by \$10 billion.

"I don't think it is necessary for us to start (on) such a large scale. But I do agree with the Government that we need to reserve sufficient potential for further development," Mr Ho said.

The Government plans to complete the first runway by 1997 but it has yet to announce the commission date for the second.

—Deputy director of the research office of the Chinese State Council's Hong Kong and Macao Affairs office, Mr Chen Baoyin, yesterday predicted that the territory would remain the most inviting place for foreign investors in the future.

In an address to the Tenth Business Leaders Symposium in Beijing, Mr Chen said this would hinge on smooth co-operation on the political front between China and Britain, and the economic ties between the mainland and Hong Kong.

Mr Chen said the mainland provided a reliable base for the economic development of Hong Kong, and the Basic Law—promulgated in April—provided the basis for a favourable environment for foreign investment in the territory.

### XINHUA Report

OW2510112090 Beijing XINHUA in English  
1054 GMT 25 Oct 90

[Text] Hong Kong, October 25 (XINHUA)—China has always supported measures beneficial to Hong Kong's prosperity and stability, but does not want to see any

measures bringing financial burden to the future Hong Kong special administrative region.

This is the Chinese Government's consistent stand, Luo Jiahuan, spokesman for the Chinese expert team, said here today after the conclusion of discussions with the team of Hong Kong experts on Hong Kong's New Airport and related projects.

Luo said: "In the past ten days, discussions were held in a friendly atmosphere. They were useful and candid.

"The Chinese side has raised many constructive opinions. We will bring back the information of the talks to Beijing and tell our government," he said.

Luo said: "The two sides have agreed to continue their talks. The date and place will be settled through diplomatic channels of China and Britain."

### Project To Be Approved 'Eventually'

HK2510071290 Hong Kong AFP in English 0645 GMT  
25 Oct 90

[By Claudia Mo]

[Text] Hong Kong, Oct 25 (AFP)—China will eventually give a go-ahead to Hong Kong's mammoth airport and port project because Beijing has "no other choice," a locally based senior Chinese official said Thursday.

"Beijing will only embarrass itself if it says no," said the senior official of the NEW CHINA NEWS AGENCY (NCNA) [XINHUA], Beijing's de facto consulate in the British colony, which is due to revert to Chinese rule in 1997.

"Britain and Hong Kong have already started to give out works contracts for the development, Beijing has no other choice but to give approval," he said.

A red light from China "will clearly scare international investors off the project," said the official, who declined to be named.

"Hong Kong will be in a mess and that is the last thing Beijing would want to see."

The NCNA official spoke as a Chinese delegation ended talks with local officials here on the 17 billion U.S. dollar plan, whose financing would stretch way beyond 1997 with about 40 per cent expected to come from the private sector.

The head of the Hong Kong delegation, Chief Secretary Sir David Ford, said Thursday that the talks had been constructive.

"As is well known, the Chinese side support what is in the interest of Hong Kong's stability," he said.

The scheme to build a new airport and port complex on nearby Lantau island has been presented by Britain as a farewell gift that would build confidence at a time when a local exodus was escalating ahead of the handover deadline.

Beijing, on the other hand, has suggested that it was a British conspiracy to leave behind a bankrupt Hong Kong. Chinese party chief Jiang Zemin in February criticised the mammoth project as "you give a banquet and I foot the bill".

"Having the Jiang statement on the record, his juniors can just keep on criticising a bit and meanwhile softening their tones a bit—as they've done in the past few months—to lead to an actual go-ahead," the NCNA official said.

He would not predict when the official approval would be announced, but the run-up could take months.

Ching Cheung, editor of local China-watching weekly *CONTEMPORARY* and a former Beijing correspondent for local leftwing daily *WEN WEI PO*, also said that Chinese approval was inevitable.

"It's all a matter of face," he said of the current foot-dragging.

"Beijing knows perfectly what kind of scenario lies in store should they refuse to endorse the airport business: the colonial government will lose authority and the exodus will heighten," Mr. Ching said.

While calling Chinese concerns over the issue legitimate, British and colonial officials have reaffirmed their authority to rule pre-1997 Hong Kong by stressing that Beijing could be informed but not consulted.

International bankers are keen to see an official Chinese blessing before they participate in the project. While the airport is due to be operational by 1997, the port project has no definite timetable and might carry well into the next century.

China has promised Hong Kong "a high degree of autonomy" after 1997 and said the territory should shoulder its own debts.

"Are you totally convinced of this 'high degree of autonomy'?" queried Edward Leung, chief economist of the Standard Chartered Bank here.

Mr. Leung noted that the site-choice of Chek Lap Kok on Lantau island was made from very limited geographical options, and that the colonial government has said it could afford financing the entire scheme if necessary.

"Unless the Chinese take a very pessimistic view about (the future prosperity of) Hong Kong, I can see no solid grounds for them to actually oppose the project," Mr. Leung said.

Tam Siu-cheung, head of a business research organisation based in the neighboring Chinese special economic zone of Shenzhen, said the key to the question was how the project's benefits would be shared.

Mr. Tam, president of the International Institute for Technology and Business Management, said while China "might not have technological expertise to grab major contracts, it can take part in the financing side with the Bank of China chosen as, say, a lead manager."



"That would provide a ladder for the Chinese to get off the (criticising) stage," he said.

The colonial authorities have said Hong Kong stands to lose 13 billion U.S. dollars by 2010 unless a replacement is built for Kai Tak international airport, which is nearing capacity.

#### Official Predicts Continued Foreign Investment

OW2510113190 Beijing XINHUA in English  
1124 GMT 25 Oct 90

[Text] Beijing, October 25 (XINHUA)—A Chinese expert predicted here today that Hong Kong will remain at the most inviting place for foreign investors in the future. [sentence as received]

This will be the case as long as the political co-operation between China and Britain, and the economic relationship between the mainland and Hong Kong continue to be smooth.

In his address before the Tenth Business Leaders Symposium in Beijing, Chen Baoyin, deputy director of the Hong Kong and Macao Affairs Office under the State Council, said that the mainland provides a reliable base for the economic development of Hong Kong by providing stable and sufficient supply of food, daily necessities, fresh water and industrial raw materials.

Moreover, the Hong Kong basic law, issued in April this year, guarantees the basic conditions for Hong Kong to remain a favorable environment for foreign investment.

Chen said due to the promotion of China's reforms and opening to the outside world, the co-operation between the mainland and Hong Kong has expanded from the field of trade to the areas of finance, industry, science and technology, transportation and communications, and tourism.

According to statistics, the volume of trade between the mainland and Hong Kong has increased by 35 percent yearly in the past decade. The mainland was the main exporter of commercial goods to Hong Kong, as well as the second largest market for Hong Kong products.

In the past decade, investors from Hong Kong and Macao have established more than 17,600 enterprises on the mainland with investments of over 8 billion U.S. dollars.

Chen said that the continuous development of co-operation between the mainland and Hong Kong was beneficial to both the modernization drive on the mainland and to the prosperity of Hong Kong. The fruitful results achieved from China's reforms and opening to the outside world in the past decade have become one of the major factors which have brought about the rapid growth of the Hong Kong economy in the 1980s.

Chen added that anticipations are that the economic growth of the Asian and Pacific regions will exceed that of the Western countries, and if so Hong Kong, as a center of finance, trade and communications in the region, will become even more important.

#### Councillor Appeals to PRC for Direct Talks

HK2510012390 Hong Kong SOUTH CHINA  
MORNING POST in English 25 Oct 90 pp 1, 7

[By Andy Ho]

[Text] The Senior Legislative Councillor, Mr Allen Lee Peng-fei, yesterday made his first public appeal to Beijing to introduce direct talks with Hong Kong legislators and government officials.

In his opening speech at the council's two-day policy debate, Mr Lee said local people were eager to see a frank Sino-Hong Kong exchange of views on matters pertinent to their future.

"I urge Beijing, particularly those who are responsible for Hong Kong, to begin a dialogue with members of this council, and also to begin a dialogue with civil servants of Hong Kong to establish their much-needed mutual understanding," he said.

Sino-Hong Kong political ties, he noted, had not been as promising as they should be.

Mr Lee's plea to Beijing came as a surprise as councillors have traditionally preferred persuasion in private.

Beijing has a standing policy of not recognising the Office of Members of the Executive and Legislative Councils (Omelco), which it has dismissed as a British colonial institution.

Omelco had to rely on the Hong Kong Government, for instance, to ask London to relay its recommendations on the Basic Law to the Chinese authorities through diplomatic channels.

"I am not disappointed or discouraged with the current situation. But I feel I must bring it into the open in order to improve the situation," Mr Lee said.

He acknowledged that it would not be an easy task to convince Beijing to open channels to the council.

Mr Lee said: "During the past 10 years we have established strong economic links with China, particularly southern China. China is our largest trading partner and we are China's largest investor."

"Our growth in trade is phenomenal. The [size of the] labour force employed across the border is more than double that of Hong Kong. We are growing from strength to strength, and year after year."

"Our political relationship has not been flourishing as our economic relationship. There are many historical reasons for the present-day status. However, it is time to change and there are only 6 1/2 years left before the change of sovereignty."

He welcomed the news from the Governor, Sir David Wilson, in his annual policy address that the Government would bolster civil service contacts with China to foster mutual trust.

The Sino-Hong Kong theme dominated the councillors' 4 3/4-hour debate on the motion moved by Mr Lee to thank Sir David for his speech delivered to the assembly two weeks ago.

Omelco sent a fact-finding mission on nuclear power generation to the Chinese capital at the height of the local anti-Daya Bay protests in 1986, before the Legislative Council endorsed the project.

During that trip, Mr Lee met the then Chinese vice-premier, Mr Li Peng. But China has never recognised Omelco as representative of the people of Hong Kong.

While Beijing and the local branch of the New China News Agency have been in contact with individual councillors, they have been careful in not accepting the official status of Omelco.

For a start, the councillors are trying to break the ice with a tour of Guangdong.

Another veteran legislator, Mr Stephen Cheong Kam-chuen, also highlighted the need for better relations with China.

He called on local people to adopt a pragmatic approach in handling delicate Sino-Hong Kong ties.

Miss Maria Tam Wai-chu concurred that confrontational tactics would be counter-productive.

"I hope China can also help to keep Hong Kong stable and prosperous in accordance with the spirit of the Sino-British Joint Declaration. But this promise and responsibility should not be turned into a means for interfering with Hong Kong's internal affairs," Miss Tam said.

Elected councillor Mr Szeto Wah, however, was concerned that increased communication with China would lead to Chinese manipulation in Hong Kong's internal affairs.

He was sceptical of the Governor's assurance that a better exchange with Beijing was not tantamount to granting China a veto over internal Hong Kong policies.

Twenty councillors commented on the Governor's speech yesterday. Another 21 speakers are scheduled for today's session.

#### Record Numbers Quit Civil Service in 1989

HK2510013590 Hong Kong SOUTH CHINA  
MORNING POST in English 25 Oct 90 p 3

[By Jacqueline Lee]

[Text] A record number of 8,000 people resigned from government service last year, although the total for all departures remained the same as the previous year.

Of the 10,790 departures during 1989-90, 7,913 were resignations—10.7 percent up from the 7,150 resignations in 1988-89 when the Government lost a total of 10,797 employees.

The resignation tally was almost double the count of 1987-88 and more than triple the figure for 1986-87, official statistics show.

The remainder of people left the public service through retirement, completion of agreement, dismissal, termination of service and death.

The strength of the civil service expanded from 186,054 to 188,393 over the past financial year.

A Civil Service Branch official said yesterday that apart from emigration, civil servants were leaving in growing numbers to take jobs in the private sector as increased opportunities were arising from the brain drain.

The spokeswoman said the trend of high resignations was expected to continue despite the economic downturn.

"We're monitoring the situation to see if there is any sign of the wastage stabilising, but we don't have any expectations at the moment. It is too early to draw any conclusions as we're only about halfway through the year," the official said.

#### Hong Kong Commercial, Industrial Symposium

OW2510061190 Beijing XINHUA in English  
1515 GMT 24 Oct 90

[Text] Hong Kong, October 24 (XINHUA)—A symposium on commercial and industrial administration in China was held at the world trade center here today.

During the meeting Liu Minxue, director-general of the State Administration for Industry and Commerce of China, gave detailed accounts of the main tasks of the administrative authorities for industry and commerce at all levels in China.

He expressed the belief that further improvement in China's administration of industry and commerce will create a better investment environment for overseas businessmen.

Besides, director of the administration's trademark office Li Jizhong and director of the economic contracts department Wang Zhenyu delivered speeches respectively on "the trademark system in China" and "economic contract administration in China".

The symposium was jointly sponsored by the China Patent Agent (Hong Kong) Limited and the Chinese General Chamber of Commerce of Hong Kong.

#### Zhou Nan Views Mainland, Hong Kong Economy

HK2410092190 Hong Kong WEN WEI PO in Chinese  
24 Oct 90 p 11

[Report: "The Economies of Chinese Mainland and Hong Kong Are as Closely Related as Lips and Teeth—Zhou Nan's Speech at Annual Meeting of Enterprise Management Development Center"]

[Text] Zhou Nan, director of the Hong Kong Branch of the XINHUA NEWS AGENCY, addressed the annual meeting of the Enterprise Management Development Center of the Hong Kong Management Association. The following is the full text of his speech:

Chairman, Ladies and Gentlemen,

I am very happy to be able to attend the annual meeting of the Enterprise Management Development Center today and to meet members of the Hong Kong Management Association. I extend my congratulations to those who have completed their "Enterprise Management Certificate Course" sponsored by the Enterprise Management Development Center.

Since its founding more than 30 years ago, the Hong Kong Management Association has worked to upgrade Hong Kong's industrial and commercial management level. The achievements scored have become the focus of social attention. The Enterprise Management Development Center set up by the association has made great efforts to develop intellectual resources and assiduously trained large numbers of industrial and commercial management personnel. I wish that the association will make still further progress in the coming years and contribute to Hong Kong's economic prosperity and development.

You are all experts in enterprise management. As everyone knows, modern management requires a sound comprehensive sense and strategic sight. Like sailing in the rolling seas, only those with foresight can guide and steer the boat of their cause to the other shore. To acquire strategic development foresight, I think Hong Kong's industrial and commercial entrepreneurs should correctly understand the reality and prospects of economic relations between Hong Kong and Mainland China. I have said so because Hong Kong's sovereignty will be returned to the motherland after 1997 and China's prosperity will be related to Hong Kong's future and hope. Moreover, in terms of reality, Hong Kong's economy is closely linked to that of the mainland, like lips and teeth.

Economically, Hong Kong is an international and modern city. An outstanding characteristic of a modern, international economy is the closely related and mutually dependent links between various countries and localities. What does Hong Kong's economy depend on? Apart from Hong Kong's economic vitality, it mainly depends on the international market, the Asian-Pacific economic climate, and Mainland China's economic development. Hong Kong has developed its economy rapidly and attained marked achievements over the past decades because of these factors. To continue to maintain its prosperity and progress, Hong Kong must have a fine economic environment in the future.

The world is undergoing tremendous changes today. When the old strategic structure has been smashed, a new one has not yet taken shape. Amid such a transformation, the international situation is developing further toward the direction of multipolarization. Various forms of regional cooperation have been strengthened. Meanwhile, the

rivalry among the great powers for overall national strength has intensified, the contradictions between nationalities have been more conspicuous, and a turbulent situation still prevails in the world. The grim economic situation in the world arising from the recent Gulf crisis and oil price hikes has produced an adverse impact on Hong Kong's economy and has evoked public anxieties. "People who share the worries are affectionate to each other." Facing the same challenge, only by enhancing cooperation, giving full play to their respective strong points, and jointly creating an environment favorable to economic development can both Hong Kong and the mainland get rid of the disadvantages, overcome the difficulties, and continue to make headway.

From a developing point of view, Asia is likely to become a region with the greatest economic vitality in the world from the present to the next century. Some people have predicted that China, after undergoing economic improvement and rectification, deepened reform, and further opening up, will become the locomotive of economic development of Asia as a whole. In Asia, which has great economic potential, there are opportunities, as well as hope, for the economic development of Hong Kong and the mainland. The common economic interests have linked Hong Kong to the mainland. In a sense, the economic growth or decline of one side will affect the other.

For a long time, and particularly during the decade or so of reform and opening up practiced on the mainland, the close economic relations between Hong Kong and the mainland have been far beyond people's imagination. The mainland is the base supplying Hong Kong with various nonstaple foods, daily necessities, industrial raw materials and semifinished products, and fresh water. Moreover, it is also an important market for Hong Kong's export commodities. From a developing point of view, the mainland's strong points in high science and technology and in heavy industry can be used for Hong Kong's further economic development. Through expanded trade with Hong Kong, the mainland can draw foreign investment, import advanced technology and management experience, exchange information, and take part in international economic activities with Hong Kong playing the role of a bridge. In turn, this will greatly benefit Hong Kong's economy. There are many fields for the economy of one side to depend on the other for existence.

First, trade between the two sides has developed by leaps and bounds. In the 10 years from 1979 to 1988, the volume of Hong Kong's trade with the mainland increased at a high annual average rate of 38.8 percent. The volume of trade between the two sides in 1988 increased 26-fold over 1978. The figure hit a new record in 1989, amounting to HK\$343.44 billion (Hong Kong dollars) and exceeding the HK\$300 billion level for the first time, an increase of 19 percent over 1988. According to customs statistics for both Hong Kong and the mainland, the two sides are each other's biggest trade partners, accounting for 30 percent and 31 percent of the total trade volume respectively, both higher than the 29



percent in 1988. This indicated another step forward in economic and trade cooperation between the two sides.

Second, since China implemented the policy of reform and opening up to the outside world, 60 percent of the enterprises run by foreign investors come from Hong Kong's industrial and commercial circles. In Guangdong, for example, actual use of foreign capital totaled \$10.4 billion by the end of 1988. Of this, investment from Hong Kong accounted for 75 percent. Viewed from the number of foreign-funded enterprises, by the end of 1989 Guangdong had a total of 11,000 enterprises of three kinds which are partially or wholly foreign owned [Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises], of which the number run by Hong Kong and Macao manufacturers accounted for 90 percent and the amount of investment accounted for 85 percent. There are now more than 2 million workers in Guangdong engaged in assembly and material processing for foreign enterprises. Most of these workers work in the factories invested in by Hong Kong and Macao manufacturers. The number of workers accounts for more than 200 percent of those hired in Hong Kong in the manufacturing trade, and the value of goods processed accounts for around 30 percent of Hong Kong's total industrial output value, with the figure reaching as high as 70 to 80 percent in some trades. The establishment of these enterprises has promoted the mainland's industrial development and also increased Hong Kong's export capacity.

Third, invisible trade between the two sides also has benefited both sides. Mainland China was the destination of some 16 to 20 percent of the visitors who came to Hong Kong from various countries and regions throughout the 1980's. A total of 31.68 million people visited Mainland China in 1988, of which 29 million entered Guangdong; most were compatriots from Hong Kong and Macao. The frequent contacts promoted the vigorous development of tourism between Hong Kong and the mainland. Hong Kong's income from tourism totaled \$4.3 billion in 1988, a 31 percent increase over the previous year. The amount of money spent by visitors to Hong Kong in 1989 also increased by 8 percent over 1988. Thanks to the stable situation in the interior this year, Hong Kong's tourism recovered more quickly than expected. It is estimated that the number of visitors to Hong Kong will hit an all-time high.

These figures show economic relations between the two sides are not limited merely to cooperation in certain fields. Instead, they are developing toward the direction of comprehensive cooperation in all fields. The current supplementary cooperation between the two sides gradually is developing into cooperation at a higher level. Some people call this "the China factor" in Hong Kong's economy, believing the factor will become increasingly important as 1997 approaches. Others say China is Hong Kong's safety net and great rear area. None of Hong Kong's competitive opponents have such a great rear area. In viewing Hong Kong's prospects, the most important factor is the relations between China and Hong Kong. In my opinion, these views are reasonable. The stable situation in Mainland

China and its economic development constitute a reliable guarantee for Hong Kong's prosperity and stability. Similarly, Hong Kong's prosperity and stability will be conducive to mainland's modernization program.

The increasingly close economic relations between the mainland and Hong Kong constitute an inevitable outcome of historical development. They also conform to the common desire and fundamental interests of people on both sides. With the marked effects achieved in the mainland's economic improvement and rectification and with the further expansion and deepening of reform and opening up, the national economy will recover gradually from the low ebb, contacts and exchanges between the two sides will be further strengthened, and their economic relations will be enhanced.

Friends, the official promulgation of the Basic Law has laid down the grand blueprint for implementing the "one country, two systems" policy and presented bright prospects for economic cooperation between the mainland and Hong Kong. Facing the transition period and the new situation resulting therefrom, Hong Kong's development naturally should be focused on the future, the long-term interests of Hong Kong people, Hong Kong's smooth transition, and long-term development of social stability and prosperity. The economy of society as a whole is not a short-term behavior, particularly where economic issues are concerned which have a bearing on Hong Kong's future and which transcend 1997 or even the century. Naturally, all social circles in Hong Kong are concerned about the overall situation of Hong Kong's economy and the long-term interests of all Hong Kong people. We express our understanding of and sympathy with the feelings of the broad ranks of Hong Kong compatriots and friends from all circles.

We hope stability and prosperity will be maintained in Hong Kong during the transitional period, that Hong Kong will keep its status as an international financial, trade, and shipping center after 1997, that Hong Kong's economy will continue to develop, that a balance will be attained in revenue and expenditure, along with sufficient reserves, that the piping rhythms of peace will prevail in society, and that the inhabitants will live and work in peace and contentment.

I suppose you all have made profound studies of management science. In the past, Hong Kong created a great deal of advanced management experience in economic operation. To seek existence and development in the fast-changing world of today, it is necessary to have a clear, long-term development plan; a definite target; a coordinated operating mechanism; and a rational structural system. This is the case for an enterprise, as well as for society as a whole. In view of this, I hope you will continue to contribute your management knowledge and experience to society, promote Hong Kong's economic exchanges with the mainland, pay close attention to Hong Kong's political and economic development during the transition period, and make unremitting efforts for Hong Kong's stability and prosperity.

That is all I have to say. Thank you.

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